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Task Force
On Telecommunications

Competition in Public Long-Distance Telephone Service in Canada

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ON TELECOMMUNICATIONS

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The views expressed herein are those of the Consultant. They do not necessarily reflect the opinions of the Federal-Provincial-Territorial Task Force on Competition in Public Long-Distance Telephone Service, any of the members of the Task Force or their staff.

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THE FINANCIAL IMPACTS OF COMPETITION IN PUBLIC LONG DISTANCE TELEPHONE SERVICES ON CANADA'S TELEPHONE COMPANIES

FINAL REPORT

August, 1988

Member Firm of
Klynveld Peat Marwick Goerdeler

THE FINANCIAL IMPACTS OF COMPETITION IN PUBLIC LONG DISTANCE TELEPHONE SERVICES ON CANADA'S TELEPHONE COMPANIES

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THE FINANCIAL IMPACTS OF COMPETITION IN PUBLIC LONG DISTANCE TELEPHONE SERVICES ON CANADA'S TELEPHONE COMPANIES

SUMMARY

The objective of the study described in this report was to examine the financial impacts of competition in public long distance telephone services on Canada's telephone companies and on their customers. Several models were used in the analysis to project the financial flows of the telephone companies and of their competitors under various competitive scenarios in the test year of 1995.

The following conclusions were obtained from the study:

- Competition by carriers who would offer public long distance services at discounted rates would result in local rate increases. The reason for these increases would be the existing carriers' loss of net income attributable to the loss of traffic to the competitors. Because of the rate discounts, the competitors would be unable to fully compensate the existing carriers for their lost income while remaining financially viable.

  The study determined the maximum "contribution charges" that competitors could afford to pay to the telephone companies for access to their customers and as compensation for lost income.

- A range of competitive scenarios were examined in the study. A considerable part of the analysis was focussed on a scenario in which the telephone companies lost 20 percent of their traffic and the competitors discounted long distance rates by 25 percent. That scenario was considered to represent the highest level of market share gains and the lowest level of discounted rates within a range of practical alternatives. It was found that if a national facility based competing carrier achieved the market penetration and offered the discounts assumed in the scenario, and if the telephone companies applied the same percentage increases to local residence and business rates, the maximum local rate increase in the Canadian telephone system would be $3.18 for residence subscribers and $8.83 for business subscribers (page 60 and Exhibit 9B).

- Rate increases were calculated for all nine Telecom Canada member companies and for eight independent carriers. The projected rate increases differed from company to company. In the scenario above the nation-wide average increase was found to be \$1.83 for residence rates and \$5.98 for business rates for the majors, and \$0.30 and \$1.83 respectively for the independents (page 55 and Exhibit 8).

- It was found that rate rebalancing is not a deterrent to competition unless long distance rates were reduced to levels that are close to costs. The most significant consequence of rate rebalancing would be a reduction in the "contribution charges" that a competitor could afford to pay to the telephone companies for providing access to their customers. However, as long as long distance rates remained significantly above the costs of the service, a competitor would be able to discount his rates and still afford to pay some degree of compensation to the telephone companies (page 69).

- Hence, rate rebalancing was found to be an issue that is essentially independent of competition. Whereas rate rebalancing itself would cause considerable increases in local rates, the additional local rate increases caused by competition after prior rate rebalancing were found to be almost identical to those caused by competition without prior rate rebalancing (page 68).

- The study showed that three independent companies which operate only in urban areas and do not have toll services of their own would actually gain from competition. The reason for these gains is the fact that the contribution payments paid to those independent carriers by a competitor of the major telephone companies would exceed the commissions paid by the major companies themselves (page 55 and Exhibit 8).

- The study provided information on the levels of cost reductions that would be required to offset the negative financial impacts of long distance competition on the telephone companies.

  The necessary cost reductions ranged from 1.4 to 4.8 percent of total operating and capital costs for the major telephone companies under a 20 percent telephone company traffic loss and a 25 percent rate discount by a competitor (page 60 and Exhibit 8).

o It was found that resellers of telephone services who do not own transmission facilities but lease them from the telephone companies are economically less efficient than a facility based competing carrier. Because of their smaller traffic volumes, resellers are not able to take advantage of the technology that enables larger carriers to utilize their facilities to a much higher degree than the utilization that smaller carriers can achieve. Thus, smaller carriers could not afford the levels of contribution payments that a facility based carrier could make to the telephone companies. Consequently, in the scenarios examined for resellers, the local rate increases were about twice as high as those resulting from competition by a facility based carrier (page 87).

o Sensitivity tests indicated that whereas the rate increases resulting from rate rebalancing are sensitive to assumptions regarding price elasticity, the additional rate increases resulting from competition (affecting only 20 percent of the telephone companies' long distance traffic) are practically insensitive to the choice of elasticity factors (page 109 and Exhibit 19).

o Other sensitivity tests indicated that if all the rate increases required for offsetting the impacts of competition were assigned to the business sector, the rate increases in that sector would be approximately twice as high as if the increases were distributed on an equal percentage basis between sectors. Based on the national average, such a policy would result in business rate increases of about $12.00 for single access lines under a 20 percent telephone company traffic loss and a 25 percent rate discount by the competitor (page 113 and Exhibit 22).

o In those scenarios in which competition was allowed in Bell Canada and B.C.Tel territory only, it was found that the payment of contribution charges by the competing carriers into the common Telecom Canada revenue pool (for Telecom Canada traffic) would produce a more justifiable distribution of local rate increases among provinces than compensating Bell and B.C.Tel directly for their loss of Trans-Canada, Canada-U.S. and Canada-Overseas traffic.

In the former case the companies that did not allow competition would require only small local rate increases or none at all. In the latter case all the companies would have to increase their local rates, including those that did not allow competition (page 48).

- The study provided an interesting conclusion regarding the likely rate increases that the Canadian telephone companies may require in the future to offset the impacts of inflation. The "base case" forecast of the most likely 1995 scenario indicated that with the continuation of past trends in cost reductions and technological advances, several telephone companies will actually be able to afford rate reductions while others may only need relatively small rate increases. With no changes projected in Telecom Canada rates, the largest increase in local and intracompany toll rates that would be required by a major telephone company in Canada would be an average of 1.2 percent per year or just under 10 percent over the entire 1987-1995 period (page 11 and Exhibit 1).

Part I of the report provides a description of the study. Part II describes the competitive environment analyzed in the study. Part III summarizes the financial impacts of competition on the carriers and the required local rate increases. Part IV describes the impacts of the rate changes on the telephone companies' customers. Parts V and VI describe the results of various sensitivity tests and address supplementary considerations. The models used in the analysis are described in the Appendices.

THE FINANCIAL IMPACTS OF COMPETITION IN PUBLIC LONG DISTANCE TELEPHONE SERVICES ON CANADA'S TELEPHONE COMPANIES

I. DESCRIPTION OF THE STUDY

This part of the report describes the simulation analysis of the financial impacts of competition in public long distance telephone services. The analysis was carried out for the Financial and Rates Analysis Working Group of the Federal/Provinical/Territorial Examination of the issues of competition in long distance public telephone services. The results of the analysis show the impacts of a range of competitive scenarios on the basic local telephone rates of every major telephone company in Canada, including the rates of nine Telecom Canada members and of eight independent carriers.

The results presented in this report provide information on the changes in local rates that are forecast to occur in two major subscriber groups: all residential subscribers and all business subscribers. For some of the carriers the impacts are broken down further, showing the percentage of subscribers who could financially benefit from competition in various subscriber groups.

Peat Marwick worked closely with the Working Group in the planning of the study. Peat Marwick developed the simulation models and the methods of analysis. The scenarios to be examined and some of the major parameters to be used in the analysis were provided by the Working Group. Other parameters, such as those relating to the competitors' operation, were developed by Peat Marwick after discussions with the Working Group.

THE MODELS USED IN THE ANALYSIS

Three models were used in the analysis:

- The telephone companies' model
- The Facility Based Carrier (FBC) model
- A "reseller's" model.

The telephone companies' model was built upon the existing Telephone Carrier Financial Simulator, used in previous studies. This Simulator, described in Appendix A, includes all Telecom Canada members and the following independent telephone companies:

- Terra Nova Telecommunications
- NorthwesTel
- Quebec-Telephone
- Telebec
- Thunder Bay Telephones
- Northern Telephones
- 'edmonton telephones'
- Prince Rupert Telephones.

The telephone companies' model was used to forecast 1995 traffic and financial data. That year was chosen as the "test year" in consideration of the time that a competitor would require to attain full maturity.

The FBC model is a 15-year financial model of a national competitor entering the public long distance telephone business. This model was developed by Peat Marwick, using inputs from CNCP's "Application For Review of Telecom Decision CRTC 85-19", and additional information received directly from CNCP. Peat Marwick developed the model in a manner that made it responsive to changes in volumes and geographic coverage. In the development Peat Marwick made use of CNCP's projections of capital and operating expenses shown for one particular scenario in its Application. The structure of the model allowed the construction of pro forma balance sheets and income statements as well as cash flow projections for the testing of financial viability.

It should be noted that while the Examination defined interexchange competition as a generic service offered by a "Facility Based Carrier" (similar to but not necessarily CNCP), the assumption was nonetheless made in the model that the competing carrier will already have some telecommunication infrastructure in place before entering the MTS/WATS market. Consequently, the scenarios described in the report represent realistic potential situations. The results of the analysis would be somewhat different for a competitor who would have to build a new system "from scratch".

While the existence of certain basic facilities was implied in the study, it was assumed that when such facilities would be assigned to the competitive MTS/WATS services by the Facility Based Carrier, the corresponding incremental costs of that plant would be assigned to those services in the same manner as existing telephone companies assign their incremental costs to competitive services.

It was further assumed that Telesat Canada's role would be largely complementary to the facility based terrestrial carrier and might replace some of the terrestrial functions implied in the model at no change in cost to the terrestrial carrier. As a typical example, Telesat Canada may provide line haul services to the Northwest Territories, Yukon and the Northern parts of B.C. and Alberta, where satellite services are more cost-effective than other methods of transmission. The costs of such services are implicit in the operating cost assumptions of the FBC model.

The third model envisaged a reseller of Private Line/WATS services to retail customers. The issues in this model were to determine:

- How much money would remain in the hands of a reseller from using the spread between Message Toll rates on the one hand and Private Line or WATS rates on the other, and can he derive a profit from that spread after all his expenses for acquiring and operating the necessary plant have been accounted for?
- How much compensation can the reseller afford to pay to the telephone companies to offset their loss of revenue?

The scenarios and alternatives analyzed with the help of these models are described below.

SCENARIOS AND ALTERNATIVES

A hierarchy of scenarios was established by the Working Group relating to the following variables:

- the type of competitor
- the telephone companies' rate policy
- the geographic coverage.

These were the specified scenarios:

- Type of competitor:
  I. Facility Based Carrier
  II. Resellers
  III. Both of the above.
- Rate Policy:
  1. Status quo rates
  2. Re-balanced rates, assuming a 20 percent reduction of intracompany* rates, a 25 percent reduction in Canada-U.S. and Canada-Overseas rates and a 50 percent reduction in TransCanada and Adjacent Company rates.

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* Including rates within and between independent companies and their neighbours.

- Geographic coverage:

  A. Bell/B.C.Tel territory only

  B. All nine Telecom Canada members' territory

  C. All Canadian carriers, including independent companies.

Each of these scenarios was tested using 9 alternatives, differing from each other in terms of:

- the competitor's rate structure
- competitive market shares.

With respect to the competitor's rate structure the following assumptions were tested:

- the competitor offers the same rates as the telephone companies
- the competitor offers a 10 percent discount from the Telcos' rates
- the competitor offers a 25 percent discount from the Telcos' rates
- the competitor offers the maximum discount that is possible with no compensation payment to the Telcos (no "contribution charge").

With respect to market shares, the following assumptions were tested:

- the telephone companies lose 10 percent of their market
- the telephone companies lose 20 percent of their market.

These alternatives represent eight different cases. The "base case", reflecting no competition, was the ninth alternative of each set.

The contribution charges paid by the competitor to the Telcos were assumed to be based on billed minutes at each end of the message path. It was further assumed that the actual contribution charge per minute, paid to a particular telephone company, will be calculated separately for each company in such a manner that the charge will be equal to a uniform system-wide percentage of each telephone company's own average long distance rate. The average contribution charge per minute shown in the tables of this report for each simulated case represents the system-wide average paid by the competitor.*

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* In practice, the contribution charges might be further refined to reflect differences among types of calls or distance ranges.

The affordable contribution charges were calculated by using the FBC model. The following steps were used in the calculation:

(i) The average price per minute charged by the telephone companies was determined from the telephone companies' model.

(ii) The appropriate discount was applied to that price to reflect the competitors' average rate, as specified in the particular scenario.

(iii) The FBC model was used to determine the maximum contribution charge that the competitor can afford to pay and still remain financially viable, given his assumed discount from the Telco rates.

The telephone company model was then used to simulate the telephone companies' financial performance in 1995, given the assumed traffic losses and the contribution charges collected from the competitor(s).

THE BASE CASE

The telephone companies' financial results were projected to the year 1995, using certain assumptions of traffic growth and productivity improvements. These were the assumptions and the results of their application:

- Subscriber access lines were projected to increase at an average annual rate of 3.5 percent. This was the average growth between 1978 and 1986. During the same period the average annual growth of the real Gross Domestic Product (GDP) was 2.9 percent in Canada. The most recent Peat Marwick Survey of Economic Indicators showed that, according to the median projections submitted by 25 leading Canadian economic forecasting groups, the average growth rate of the Canadian GDP is expected to stay at 2.9 percent over the next 10 years. Consequently, the past growth rate of access lines was continued into the future at an annual rate of 3.5 percent for all carriers.

- The growth trends of long distance traffic were determined for each carrier for the 1978-1986 period. The impacts of real rate reductions during that period were "netted out" by using the same price elasticities as specified for the study, and determining that part of the traffic growth that was attributable to the rate reductions. It was found that the net residual annual growth trend was approximately 6 percent for Bell's intracompany traffic, approximately 3 percent for Island Tel. and Maritime T&T and between 4.8 and 5.0 percent for the

EXHIBIT 1

FORECAST RATE INCREASES OR (DECREASES) FROM JANUARY 1, 1988 TO 1995

- Equal Change to Local and Intracompany Rates
- No Change in Intercompany and Extra-Canada Rates
- No Competition

	Forecast Average Annual Rate Change (%)
Newfoundland Tel.	+ 0.95
Island Tel	+ 0.67
Maritime T&T	- 0.62
NBTel	- 0.37
Bell	+ 1.22
Manitoba TS	- 0.80
Sask Tel	- 1.13
AGT	+ 0.63
B.C.Tel	- 0.02
Terra Nova	+ 0.34
Quebec Tel	+ 0.56
Telebec	+ 1.15
Northern Teleph.	- 1.38
Thunder Bay T.	- 0.25
'et'	- 2.02
Prince Rupert T.	+ 1.77
NorthwesTel	- 1.51

other carriers' intracompany traffic. The annual residual trend was 8 percent for Telecom Canada.* These residual trends were continued into the future and the impacts of predicted real rate changes were added to that residual.

- Using the traffic growth rates above, the financial performance of the carriers was calculated, and, where necessary, adjustments were applied to the projected local and intracompany rates to produce balanced income statements. Identical percentage rate changes were applied to local and intracompany toll rates, while keeping intercompany rates unchanged in nominal terms.

The rate changes described above were applied to current (December 31, 1987) rates, i.e., any changes that occurred between 1986 and December 31, 1987 were duly considered.** It was found that all of the carriers will require only small nominal rate increases during the next seven years, ranging for the major carriers from an annual average of -1.13 percent (for SaskTel) to +1.22 percent (for Bell). For the independent companies the range is between -2.02 percent (for 'edmonton telephones') to +1.77 percent (for Prince Rupert). The projected "basic" annual rate increases are shown for all carriers in Exhibit 1.

While the assumed general inflation rate was 5.0 percent, the reason for the much lower expected increase in telephone rates is attributed, in part, to the projected fast growth of the most profitable (long distance) traffic vis-a-vis a relatively slower growth of the much less profitable local sector, and of loops which represent a common cost and have no revenues at all. Another important factor was the assumption of continued cost reductions. Based on past trends the assumption was made that the inflation of operating expenses in all service categories other than loops (such as maintenance, traffic, and other direct operating expenses) will be zero, implying cost reductions in these areas that will fully offset inflation.

No change was applied to the embedded interest rates or to the companies' assumed rates of return on equity from 1986 to 1995. However an 8 percentage point reduction in corporate income tax rates was assumed in line with the federal government's current income tax proposals.

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* Detailed annual data, available for two carriers and for Telecom Canada, indicated that the use of 1978 and 1986 as the end points for calculating average growth trends produced almost the same results as fitting a trend line to annual data in a more rigorous manner. Consequently, the method of simply taking the growth from 1978 to 1986 to serve as the basis for the calculation of residual trends was considered acceptable.

** Rate changes "under application" on December 31, 1987 were assumed to be parts of the changes forecast by the study.

These assumptions produced a "base case" that was subsequently subjected to the tests described in this report.

THE TELEPHONE COMPANY FINANCIAL SIMULATOR

The telephone company financial simulator is a comprehensive model of the 9 Telecom Canada members and of 8 of the most significant independent carriers. The reader is referred to Appendix A for a description of the model. A brief overview of the model is provided below.

The model contains the carriers' major financial data for the years 1978, 1982 and 1986. It forecasts future data for one selected year. The year 1995 was chosen as the prospective test year for this study.

The carriers' financial data are grouped into major service categories in the model, in accordance with the classification of the Revenue Settlement Plan. For each category, revenues, operating expenses and capital investments are recorded for the historical years. Forecasts are made for the future year in accordance with the methodologies described in Appendix A. The forecasts are sensitive to:

- changes in the price of service (rates);
- changes in the volumes of traffic, as affected by growth rates and by the potential impacts of competition;
- external factors, such as inflation rates, taxes, interest rates.

The relationships between the various variables are modelled in the following ways:

- The relation between traffic volumes and price (rates) is considered through the use of price elasticity factors.
- The relation between operating costs and traffic volumes includes a consideration of fixed vs. variable costs and allows for the consideration of cost reductions that have occurred in the past and are projected to occur in the future, regardless of competition.
- The relation between capital investment and traffic is determined through the use of a special sub-model within the main model. That sub-model considers economies of scale and technological improvements by associating the increase in the value of fixed assets with traffic through the use of "investment elasticities", which are generally lower than

> one. Whereas these factors represent the impacts of scale economies, the impacts of technological advances are represented by inflation factors that are significantly lower than the general rate of inflation.

The model also considers special revenues, such as revenues collected in various forms from the telephone companies' competitors. The introduction of the Federal Sales Tax on long distance telephone service was also considered in the projections of future telephone demand.

There are two offsetting considerations that are not included in the model. One represents a revenue increase the other a cost increase to the telephone companies, relative to the revenues and costs estimated by the model. They are briefly described below.

The revenue increase not considered in the model consists of the WATS services used by a long distance competitor for the transmission of messages to locations not covered by the competitor's system. These messages, estimated to represent approximately 3 percent of a mature facility based competitor's traffic, may provide some contribution to the Telcos' common costs, and thus have a positive financial impact. The impact may be quite small, however, since the messages in question would generally be directed to small communities or low-density areas with high service costs and consequently low financial contribution.

Offsetting this impact is a cost increase that might be experienced by the telephone companies as the result of "creamskimming" by the competitor. This means that the Telcos' cost savings resulting from loss of traffic to the competitor would actually be lower than those assumed in the model, since the the competitor is likely to prefer routes with higher traffic densities to those with low densities. Consequently, the Telcos' cost savings resulting from each minute of traffic lost to the competitor would be lower than average. But the assumptions built into the model implied that, for each lost minute, the Telcos' costs will be reduced by the systems-wide average cost per minute: thus, the model may over-estimate the Telcos' cost reductions.

It is felt, however, that these overestimates of cost reductions might not be very significant. As noted earlier, the Telcos' model uses the Recoverable Assigned Costs of the RSP as representative of variable costs. The Phase III Costs Inquiry provided strong indications that the RSP's Recoverable Assigned Costs are indeed lower than true variable costs. Hence, when the model estimates cost reductions it may very well estimate the reduction of variable costs more closely associated with those of high density routes than system-wide average costs.

It was not possible to make accurate quantitative estimates for these offsetting factors. The assumption is therefore implicit in the Telco model that the two factors described above cancel each other.

The model has a special output section that produced the tables that are presented in Part III of this Report and in its supplementary volumes of detailed outputs.

The Revenue Settlement Plan

The telephone company model appropriately simulates the Telecom Canada Revenue Settlement Plan (RSP). The rules of the plan, as applied to monopoly traffic, are briefly described below.

All the revenues collected by the telephone companies for traffic originating and terminating in the territories of two different members of Telecom Canada are paid into various revenue pools. Each adjacent pair of telephone companies has a separate pool. All the revenues generated by traffic between non-adjacent members is paid into a single "Telecom Canada" pool. All net revenues from extra-Canada traffic are also paid into that pool.

The revenues generated by Telecom Canada and Adajacent Company traffic, as paid into the pools, are calculated after the Telecom Canada members have paid the appropriate commissions to any independent (non-member) company for the distribution of traffic to the independent companies' subscribers.

All the costs that can be assigned to Telecom Canada and Adjacent Company traffic are directly reimbursed from the revenue pools to the members who incurred the costs. The reimbursements are called Recoverable Assigned Costs (RACs)* and are paid out from the revenue pools first.

Next, the remainder of the revenues, after settling with international carriers, is distributed to all the members in proportion to each member's Member Participation Measure (MPM). The MPM is equal to a portion of the member's "Set and Loop" costs as defined by the RSP.**

The proportion of the MPM to total Loop costs is the same as the proportion of the Recoverable Assigned Costs assigned to Telecom Canada traffic to all of the Carrier's Recoverable Assigned Costs. Thus, for example, if the RACs assigned to Telecom Canada traffic represent 15 percent of the RACs assigned to all types of monopoly traffic, then 15 percent of that member's "Set and Loop" costs will be defined as his Member Participation Measure.

---

* The RACs include all costs that can be associated with a particular category of service, excluding Loop costs (which are considered common to all services) and other common (overhead) costs that cannot be clearly associated with a particular category of service.

** A "Set" in this definition is a basic rotary black telephone.

The study found that the RAC's represent 21 percent of the collected revenues. About 70 percent of the collected revenues is paid back to the members as contribution to their common costs, the remainder is paid to international carriers.

Competition reduces the revenues placed by the telephone companies into the revenue pools described above. Consequently, when competition occurs only in the territories of some Telecom Canada members, all members will be affected. The extent to which that occurs is described later in the Report.

Settlements With Independent Companies

The revenue settlements between Telecom Canada members and independent companies are also properly simulated in the telephone company model. There are two types of settlements:

- commission and line haul;
- commission plus pro-rate settlements.

Under the "commission" arrangement an independent company receives a commission for distributing toll traffic, based on traffic volume. The remainder of the collected toll revenue goes to the Telecom Canada member company that handles and/or transmits the independent company's toll traffic.

Under the "commission and pro-rate" arrangement the revenue remaining after the payment of commission is pro-rated between the independent company and the Telecom Canada member.

The model calculates these settlements on the basis of the actual 1982 and 1986 settlements, expressed as percentages of collected revenues. The methodology of the model is described in more detail in Appendix A.

Contribution of Toll Traffic to Common Costs

Exhibit 2, shows the revenues and costs per minute of monopoly toll (MTS/WATS) traffic for each major telephone company. The costs shown in the Exhibit represent only Recoverable Assigned Costs as defined by the RSP.

The Exhibit shows that 62 to 73 percent of toll revenue is used by the telephone companies to cover costs not assigned by the RSP, such as the costs of the subscriber loops. Some of this contribution is lost when competition cuts into the telephone companies' traffic. The higher the contribution the more revenue is lost. "Contribution payments" by the competitor are intended to compensate the carriers for that loss.

EXHIBIT 2

TOLL CONTRIBUTIONS

- 1995 -

(From settled revenues*)

	Revenue	Cost	Contributions	
	¢/min.	¢/min.	¢/min.	%
Newfoundland Tel.	63.8	23.0	40.8	64.0
Island Tel.	51.2	16.2	35.0	68.2
Maritime T & T	62.2	18.3	48.9	70.5
NBTel	45.8	12.3	33.5	73.1
Bell	39.6	12.4	27.2	68.6
Manitoba T.S.	34.8	13.3	21.5	61.9
SaskTel	51.5	15.6	35.9	69.7
AGT	54.2	17.6	36.6	67.5
B.C. Tel	51.8	15.8	36.0	69.5
	44.0	14.0	30.0	68.2
Intra-Company	34.4	13.5	20.9	60.8
Adjacent Company	54.1	15.8	38.3	70.8
Telecom Canada	70.3	16.1	54.6	77.7
Local	-	-	-	1.9

---

* Includes settlements from FX etc. services (no corresponding minutes recorded). Their contribution is minimal.

MODEL OF A FACILITY BASED COMPETITOR

A financial model was developed to examine the impact of various competitive scenarios on a Facility Based Carrier that offers public long distance services in competition with the traditional telephone companies ("Telcos"). The model was based on several assumptions regarding:

- the type of service offered by the competing carrier;
- the pace at which the new carrier would penetrate the market;
- the financial arrangements between the Telcos and the competitor.

In addition to these overall assumptions, each scenario had its own parameters that were inserted in the competitor's model for each simulated case. These parameters were consistent with those inserted in the Telcos' model for the particular case.

Type of Service

Three types of service were assumed for the competing long distance carriers. They were developed by a special 'Study Group' and are not described in technical terms in this report. The only distinction described here is the way in which the competitor's service is seen by the customer. Accordingly:

- Under Type D access, the customer has to dial a seven-digit number before dialing the long distance number.
- Under Type E access, the customer dials a four-digit number between "1" and the area code.
- Under Type F access, the customer dials the area code immediately following the digit "1" (equal access).

It was assumed that Type D access is associated with a 10 percent penetration of the competitor in the Telcos' long distance market. Type E access was only examined in the form of sensitivity tests. Type F access was assumed for the 20 percent penetration scenarios.

For the sake of completeness, all types of access were examined for each market penetration level in the form of sensitivity tests.

The difference between the various access arrangements was the one-time cost to the Telcos for equipping their switches with the necessary additions to accommodate the particular arrangements.

"Equal access" is the approach currently used in the United States. According to that arrangement a telephone subscriber must make an initial choice among long distance carriers. That carrier will then be accessible by the subscriber through simply dialling "1" before the area code. If the customer subsequently wanted to permanently switch from the originally chosen carrier to a competing carrier he/she has to pay a service charge. However, even though the subscriber has chosen a long distance carrier in that manner, he/she can still access the other carrier at any time by dialling a special number after the digit "1" (provided that the subscriber has a contract with the other carrier as well). We assumed that in Canada this would be a four-digit number. In that case, that particular call becomes similar to one made under a Type E arrangement.

Market Penetration

It was assumed that on the first anniversary of the competitor's entry into the market, the competing long distance service will be available to approximately 60 percent of all subscribers in the areas served by the competitor. By the end of the second year the service will be available to approximately 70 percent of the subscribers in the Provinces served.

Of course, only a minority of the subscribers who could potentially use the competitor's services will actually use it. If they subscribed to the competitor's services, they would be able to use it by dialing the special number consistent with the type of access offered, as described above. They will not have to dial their own subscriber number, as the competitor will automatically record their "regular" local telephone number for billing identification.

In the first three years of operation, the competitor's subscribers can only call people in the cities and towns served by the competitor, i.e., only 60 to 70 percent of the population in the Provinces served by the competitor. However, the called party would not have to be a subscriber of the competitor: the called party would only have to be located in the cities and towns served by the competitor.

Between years four and seven, the competitor's subscribers will be able to call an increasing number of people in the territories served by the competitor, partly utilizing the Telcos' network if the competitor did not serve a particular town. If the other party were in a city or town not served, the competitor would provide connection by utilizing the Telcos' WATS service. In this manner, by the end of the seventh year, the competitor's subscribers will be able to call any other party in the Provinces served by the competitor, regardless of location. By that time, approximately 85 percent of the people in those provinces could be reached directly by the competitor without need for WATS access.

A typical example of such a phasing plan was provided by CNCP Telecommunications. Accordingly, in the Bell-B.C.Tel territories 19 cities would be served in Year 1, 35 in Year 2 and 55 in Year 4.

The seventh year was considered to be the point at which the competitor would have reached maturity. With 85 percent of the people in the served Provinces being able to subscribe to the competitor's services and being able to reach everyone in those Provinces, we assumed that the competitor will have acquired approximately 95 percent of his ultimate market share. At that point, he will have taken over 10 or 20 percent of the Telcos' market, depending on the scenario examined.

Under the all-Canada scenario it was assumed that the competitor will serve between 90 and 100 cities (towns). The following would be the minimum numbers of served cities assumed in each province and territory in the 7th year of operation:

- Newfoundland: 3
- PEI: 1
- Nova Scotia: 5
- New Brunswick 3
- Quebec: 24
- Ontario: 29
- Manitoba: 3
- Saskatchewan: 5
- Alberta: 8
- British Columbia: 10
- Northwest Territories: 1
- Yukon 1

During the first seven years the model assumed a market penetration in accordance with a typical "S" curve (the logistic curve) with the following percentages of the ultimate market share:

Year One	5%
Year Two	12%
Year Three	27%
Year Four	50%
Year Five	73%
Year Six	88%
Year Seven	95%

According to these assumptions in Year Seven the traffic projected for the competitor in a particular market penetration scenario represents 95 percent of the traffic that the competitor would have achieved under full maturity. (i.e., in the case of a 20 percent assumed market share in 1995 a "mature" market share would be about 21 percent).

A general increase of 9 percent per year was assumed for the total market. That growth was compounded with the increase in market share to project the competitor's traffic.

It was implicit in the projections that the competitor will have interconnection agreements with U.S. carriers and with Teleglobe Canada in order to provide Canada-U.S. and Canada-Overseas service.

The assumed arrangements between the carriers, including Telecom Canada members and independent telephone companies, are described below.

The Arrangements Between Carriers

It was realized that for the purpose of explaining the flows of payments between the competitor and the Telcos some form of arrangement between the carriers had to be assumed. It must be emphasized, however, that these assumptions do not affect the actual amounts of the payments that would flow from one carrier to the other, only the forms in which they will flow.

Accordingly, for the purpose of discussion in this report, we assumed that there will be five forms of payment from the competitor to the Telcos:

- A per minute charge for the use of trunk lines that connect the competitor's central office with the telephone companies' system. This payment reflects a similar type of charge that most telephone subscribers pay today in the form of a flat monthly fee for the use of the trunks connecting their telephone sets or switches to the telephone companies' central offices.*
- A contribution charge that partially compensates the Telcos for their loss of contribution flowing from toll services to their common costs. The largest portion of these common costs is the cost of the subscriber loops (access lines). Most of these costs are covered by surplus revenue earned from toll services, while local services provide much less contribution to the costs of the loops. The compensation charges paid by the competitor can be construed as a partial payment for the use of the loops needed by the competitor to access the telephone companies' customers.
- Payments by the competitor for the Telcos' WATS services to access those customers who are in a town not served by the competitor but who are being called by one of the competitor's subscribers.
- Reimbursements of the direct costs associated with equipping the telephone companies' switching facilities with the ability to identify the callers' telephone numbers so that they would not have to dial a special user code for billing purposes when using the competitor's service.
- The competitor may rent specific facilities from the telephone companies, such as long distance transmission channels, where his own volume does not warrant investment of his own.

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* The "per-minute" form of charge is similar to the charges for "local measured service" currently offered by some carriers in the business sector.

All of these payments have been identified in both the competitor's and the Telcos' financial model. The following assumptions were made with regard to each item:

- The payments for the trunks interconnecting the competitor with the Telcos' system were assumed to be equal to the Telcos' costs of providing facilities for the local portion of the toll calls, i.e., for the routing of the calls from the central office termination of the subscribers' loops through local switches and interoffice trunks until they reach the toll office. Similar costs are incurred by the Telcos in routing the messages from the toll office to the subscribers' loops at the receiving end. It was found by the 'Study Group' mentioned earlier that in 1986 the average cost for these parts of the service was 2.1 cents per minute at each end. This charge was not considered to be part of the contribution charges shown in this report and was separately accounted for in the FBC model. The assumption of the measured rates above resulted in significantly higher inter-connection charges than those based on today's flat rates for inter-connecting trunks.

- The competitor's contribution payment to the telephone companies is one of the key parameters of the study. As explained earlier, the objective of the financial simulations was to determine the amount of the contribution charge that a competitor could afford to pay within the limitations of a reasonable return on his investment. This payment was therefore the output of the simulation of the competitor's service and served as an input into the Telcos' model for evaluating the impacts of competition on their subscribers. The compensation charge is shown in the tables produced by the models as an average amount per minute of access.

  It was assumed that in practice the competitors will pay each telephone company a percentage of the particular company's average rate rather than the same flat charge per minute to all companies. This percentage will be calculated in a manner that will make the system-wide average payment per minute equal to the identified amount.

  The exact method of calculating the contribution payments for individual types of messages or distance bands would have to be worked out in practice between a potential competitor and the telephone companies. With a flat charge for all messages the problem would arise that some very short distance calls would provide no net revenue at all to the competitor, while calls over long distances would provide disproportionately small contributions to the telephone companies' common costs.

Regardless of the actual arrangements that may occur in practice, the model did consider company-specific average contribution charges but did not calculate specific charges for each separate traffic sector.

- Whereas payments for WATS services were recognized as expenses for the competitor, they were not considered as generators of net income in the Telco model.
- The reimbursement of the Telcos' initial costs was annualized over a fifteen-year period and shown as an expense for the competitor.
- It was assumed that any long distance channel facilities leased by the competitor from the Telcos will be provided by the Telcos at rates that practically equal costs. It was found in a "side study" (Appendix E) that this assumption was basically true for private line tariffs.

The parameters used in the FBC model were estimated by Peat Marwick, using CNCP Telecommunications' 1985 submission to the CRTC noted earlier as partial reference. That submission was prepared by using a "bottom up" detailed forecasting methodology for revenues, expenses and investments. Peat Marwick used the data in that model to develop simple mathematical relationships between the volume of business (measured in message minutes) and each revenue, expense and investment category. The model is described in Appendix B.

In each scenario tested with the model, discounts from the Telcos' rates of 0 percent, 10 percent and 25 percent were assumed. For each case, the contribution charge per minute that a competitor could afford was determined with the help of the model. In determining that charge, it was assumed that the competitor will be expecting a 13 percent internal rate of return from its cash flow over the first ten years of operation.

This internal rate of return shall not be confused with annual returns on equity which are allowed by regulators and are currently in the same order of magnitude as the 13 percent above. The annual returns on equity vary widely during the competitor's planning period. In the first few years of operation the competitor's returns on equity are negative. These losses are offset by substantially larger returns than 13 percent in later years. This behaviour of financial flows is attributable to the fact that a competitor must build up its traffic from nothing over a period of several years, in contrast to mature carriers which have a steady flow of traffic over the years.

The 13 percent return is a long-term average. It was chosen to coincide with the annual rates of return expected to be allowed by regulators as a continuation of current practices. Whereas, in consideration of risks, a competitor may initially base his plans on higher returns, by the 7th year of operation, the market may be sufficiently known by the competitor to allow him to reduce his revenue requirements to the level that corresponds to a 13 percent long-term return on his own funds invested in the business.

The analysis was also extended to 15 years to check that the rate of return would not decline below 13 percent in the longer term.

Exhibits 3 to 5 show the contribution charges that, according to the model, a competitor could afford to pay to the carriers per billed minute under each tested alternative.

The Exhibits show, among others, a theoretical case in which the competitor would pay no contribution charge at all. In those cases substantial discounts would be affordable.

All the rates shown in the Exhibits are averages, including both intracompany and intercompany traffic.

In estimating the competitor's traffic it was assumed that the competitor's gain will be higher than the Telcos' loss. The difference will be the stimulation resulting from the price discount, in accordance with the assumed price elasticities.*

As noted, payments by the competitor to the Telcos for expenses incurred in modifying their plant to serve the competitor's needs were incorporated in the FBC Model, as specified by the 'Study Group'. The technical details of these modifications are not discussed here and the associated costs were assumed to be passed on to the competitor and included in the competitor's expenses.**

Examples of the competitor's financial projections, by account and year, are included in Appendix B.

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* To be precise, these elasticities might be reduced in the competitor's case because the positive impacts of the price discounts are partially offset by the negative impacts of somewhat poorer service (more cumbersome dialing). While, on the one hand, these negative impacts might reduce the price elasticities exhibited by the people who would switch to the competitor's service, the original elasticity of these people might, on the other hand, be well above average, as the "switchers" would probably belong to the most "price conscious" segment of the market. Considering these offsetting factors, the general elasticities assumed in the main study were used to estimate the stimulation of the competitor's traffic, making the competitor's gain higher than the Telcos' loss of traffic.

** It was implied in this approach that if subsequent competitors were to enter the market after the first, this cost component would be redistributed among all competitors and the annual payments would be adjusted accordingly.

EXHIBIT 3A

FACILITY BASED CARRIER

CARRIER CONTRIBUTION CHARGES
1995

Geographic Coverage: Bell/B.C.Tel Only

Telco Rate Policy: Status Quo

Average Telco Rate: 41.10¢/minute

Telcos' Affected Minutes: 16,440 million (originated)

Competitor's Discount From Telcos' Rates		Competitor's Minutes (millions) and Contribution Charge (¢/minute)at each end	
		Telcos' Market Loss 10%	Telcos' Market Loss 20%
0%	Minutes (millions):	1,644	3,288
	Contribution Charge (¢):	10.45 (7.20)	11.25 (7.90)
10%	Minutes (millions):	1,761	3,521
	Contribution Charge (¢):	8.65 (5.35)	9.40 (6.00)
25%	Minutes (millions):	1,982	3,964
	Contribution Charge (¢):	6.00 (2.55)	6.65 (3.15)
59.5%*	Minutes (millions):	2,958	
(38.5%)	Contribution charge (¢):	0.00	
62.6%**	Minutes (millions):		6,167
(41.5%)	Contribution charge (¢):		0.00

(Resellers' data in brackets)

* Maximum for 10% market loss
**Maximum for 20% market loss

EXHIBIT 3B

FACILITY BASED CARRIER

CARRIER CONTRIBUTION CHARGES
1995

Geographic Coverage: Bell/B.C.Tel Only

Telco Rate Policy: Rebalanced Rates

Average Telco Rate: 31.9¢/minute

Telcos' Affected Minutes: 19,500 million (originated)

Competitor's Discount From Telcos' Rates		Competitor's Minutes (millions) and Contribution Charge (¢/minute) at each end	
		Telcos' Market Loss 10%	Telcos' Market Loss 20%
0%	Minutes (millions):	1,950	3,900
	Contribution Charge (¢):	6.45 (4.90)	7.15 (5.50)
10%	Minutes (millions):	2,088	4,176
	Contribution Charge (¢):	5.10 (3.45)	5.75 (4.00)
25%	Minutes (millions):	2,351	4,702
	Contribution Charge (¢):	3.05 (1.30)	3.65 (1.80)
48%*	Minutes (millions):	2,983	
(34%)	Contribution charge (¢):	0.00	
51.5%**	Minutes (millions):		6,242
(37%)	Contribution charge (¢):		0.00

(Resellers' data in brackets)

* Maximum for 10% market loss
** Maximum for 20% market loss

EXHIBIT 4A

FACILITY BASED CARRIER

CARRIER CONTRIBUTION CHARGES
1995

Geographic Coverage: Telecom Canada Members

Telco Rate Policy: Status Quo

Average Telco Rate: 44.0¢/minute

Telcos' Affected Minutes: 23,930 million (originated)

Competitor's Discount From Telcos' Rates		Competitor's Minutes (millions) and Contribution Charge (¢/minute) at each end	
		Telcos' Market Loss 10%	Telcos' Market Loss 20%
0%	Minutes (millions):	2,393	4,786
	Contribution Charge (¢):	11.60 (7.00)	12.50 (7.70)
10%	Minutes (millions):	2,563	5,125
	Contribution Charge (¢):	9.70 (4.95)	10.50 (5.65)
25%	Minutes (millions):	2,885	5,770
	Contribution Charge (¢):	6.85 (1.95)	7.60 (2.60)
61.5%* (35.0%)	Minutes (millions):	4,450	
	Contribution charge (¢):	0.00	
64.5%* (37.5%)	Minutes (millions):		9,383
	Contribution charge (¢):		0.00

(Resellers' data in brackets)

* Maximum for 10% market loss
** Maximum for 20% market loss

EXHIBIT 4B

FACILITY BASED CARRIER

CARRIER CONTRIBUTION CHARGES
1995

Geographic Coverage: Telecom Canada Members

Telco Rate Policy: Rebalanced Rates

Average Telco Rate: 31.4¢/minute

Telcos' Affected Minutes: 30,090 million (originated)

		Competitor's Minutes (millions) and Contribution Charge (¢/minute) at each end	
Competitor's Discount From Telcos' Rates		Telcos' Market Loss 10%	Telcos' Market Loss 20%
0%	Minutes (millions):	3,009	6,018
	Contribution Charge (¢):	6.15 (3.80)	6.90 (4.40)
10%	Minutes (millions):	3,222	6,445
	Contribution Charge (¢):	4.80 (2.35)	5.50 (2.95)
25%	Minutes (millions):	3,628	7,255
	Contribution Charge (¢):	2.80 (0.25)	3.45 (0.75)
46%* (27%)	Minutes (millions):	4,491	
	Contribution charge (¢):	0.00	
50%** (30%)	Minutes (millions):		9,443
	Contribution charge (¢):		0.00

(Resellers' data in brackets)

* Maximum for 10% market loss
** Maximum for 20% market loss

EXHIBIT 5A

FACILITY BASED CARRIER

CARRIER CONTRIBUTION CHARGES
1995

Geographic Coverage: All Carriers

Telco Rate Policy: Status Quo

Average Telco Rate: 44.6¢/minute

Telcos' Affected Minutes: 26,430 million (originated)

Competitor's Discount From Telcos' Rates		Competitor's Minutes (millions) and Contribution Charge (¢/minute) at each end	
		Telcos' Market Loss 10%	Telcos' Market Loss 20%
0%	Minutes (millions):	2,643	5,286
	Contribution Charge (¢):	12.15 (7.25)	12.90 (7.95)
10%	Minutes (millions):	2,830	5,661
	Contribution Charge (¢):	10.20 (5.20)	10.90 (5.85)
25%	Minutes (millions):	3,186	6,373
	Contribution Charge (¢):	7.25 (2.15)	7.92 (2.75)
63%** (35.5%)	Minutes (millions):	5,044	
	Contribution charge (¢):	0.00	
65%** (38%)	Minutes (millions):		10,459
	Contribution charge (¢):		0.00

(Resellers' data in brackets)

* Maximum for 10% market loss
** Maximum for 20% market loss

EXHIBIT 5B

FACILITY BASED CARRIER

CARRIER CONTRIBUTION CHARGES
1995

Geographic Coverage: All Carriers

Telco Rate Policy: Rebalanced Rates

Average Telco Rate: 31.9¢/minute

Telcos' Affected Minutes: 33,140 million (originated)

Competitor's Discount From Telcos' Rates		Competitor's Minutes (millions) and Contribution Charge (¢/minute) at each end	
		Telcos' Market Loss 10%	Telcos' Market Loss 20%
0%	Minutes (millions):	3,314	6,628
	Contribution Charge (¢):	6.60 (4.05)	7.25 (4.60)
10%	Minutes (millions):	3,549	7,098
	Contribution Charge (¢):	5.20 (2.60)	5.85 (3.10)
25%	Minutes (millions):	3,995	7,991
	Contribution Charge (¢):	3.15 (0.40)	3.70 (0.85)
48%*	Minutes (millions):	5,069	
(28%)	Contribution charge (¢):	0.00	
51.5%**	Minutes (millions):		10,608
(30%)	Contribution charge (¢):		0.00

(Resellers' data in brackets)

* Maximum for 10% market loss
** Maximum for 20% market loss

MODEL OF A RESELLER

The reseller model was derived from the Facility Based Carrier model by using a range of assumptions. It is recognized that the set of assumptions

used in the analysis was but one of many possible sets. The objective of making the assumptions was:

- to provide a representation of a typical reseller of long distance Private Line and WATS services to retail customers;
- to highlight the differences between the financial impacts of resellers and the impacts of a Facility Based Carrier on the telephone companies.

For the second reason the assumption was made that the size of the reseller modelled in the study will be one-quarter of the Facility Based Carrier's size in any particular location. This does not mean that there would be only four resellers in Canada under the model's assumptions: each city or group of cities might have its own regional resellers, serving customers in a particular geographic area but being able to reach out to many parts of Canada from their own territories by using telephone company facilities.

A reseller would own a switch in a city which can be accessed by anybody in the city who has an account with the reseller and whose telephone number the switch recognizes (and bills). This access occurs through the regular switched telephone company network, i.e., the switch is reached in the same manner as the PBX of any business would be reached. However, instead of switching the calling party to one of the telephone sets in the PBX's office, the calling party is switched to one of a number of private lines emanating from the reseller's office to a variety of locations within and outside the reseller's province.

When the reseller has no private line facilities to a particular point that the caller wants to reach the caller is automatically switched to the telephone companies' WATS service. The same occurs when the appropriate private lines are busy.

The simplest form of a private line connection between the reseller's office and a remote exchange is a Foreign Exchange Line. To destinations with heavier traffic a group of private lines is rented from the telephone companies by the reseller, taking advantage of the discount offered for more than 12 lines (under the name TELPAK). With even heavier traffic the reseller will rent a so-called "T1" channel which is equivalent to a maximum of 23 two-way voice grade circuits.

With the latter arrangement the reseller also needs an office at the receiving end. The reseller may also want to terminate its rented private lines at a receiving office for other reasons. With sufficient traffic for a large number of simultaneous conversations between two points the reseller may install concentrating equipment that allows him to utilize time gaps in each message and transmit much more information through the channel than by keeping each conversation separated from the other.

We assumed that a typical reseller would primarily serve the business market and have relatively little traffic in the evenings and on weekends. This type of traffic would allow the reseller to transmit about 6,000 minutes per month on a single line. The assumption was made that with concentration this capacity can be increased by a factor of 1.5 on a mix of heavy and light routes.* This compares with an estimated utilization of 10,000 minutes per month for a typical individual Telco circuit and a multiplier of 2.0 to account for concentration. The difference between the 6,000 and 10,000 minutes is the significant residence traffic content of the Telcos' system (which, in number of minutes, practically always exceeds the volume of business traffic).

As shown in Appendix E, the transmission costs per minute of a reseller, under the assumptions above would be approximately 30 percent of the average Telco revenue per minute. However, the reseller would have to spend significant amounts on purchasing WATS services from the telephone companies, to service routes on which he can not afford to rent private lines, and to handle any overflow traffic on the heavier routes.

Consequently, we assumed that at the beginning of the reseller's operation his actual transmission costs will be 60 percent of the average Telco rate, dropping gradually to 36 percent in Year 7 and stabilizing at that level.

These assumptions were built into the reseller model to replace the capital and operating costs related to transmission facilities in the Facility Based Carrier model.

Next, assumptions had to be made with respect to switching costs. It was estimated that approximately 25 percent of the Facility Based Carrier's capital costs are related to switching. However, resellers being only one-quarter the size of a Facility Based Carrier, negative economies of scale would increase that percentage to 40 percent. It was therefore assumed that the reseller's capital investment is 40 percent of the Facility Based Carrier's investment and that the same ratio applies to maintenance and operating costs. A broad check of this figure is provided in Appendix E.

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* Concentration makes it possible to utilize the gaps that occur in normal speech so that several simultaneous conversations are "mixed" and separated again to maximize the volume of information transmitted through a facility. It was projected that the technology for this type of multiplexing will become increasingly affordable during the time horizon of the study.

The typical reseller described above can be considered a relatively small operator, especially if he only provides service to a limited number of locations. The study results provided in this Report implied the operation of many such resellers in Canada.

II. THE COMPETITIVE ENVIRONMENT ANALYZED IN THE STUDY

In order to put the results of the simulation analysis into the proper perspective this part of the report provides a review of the competitive environment that was assumed in the analysis. The competitive environment is reviewed from three different aspects:

- The regulatory framework
- The physical system
- The economics of competition.

THE REGULATORY FRAMEWORK

The assumption was implied throughout the study that the regulatory framework that currently exists in Canada will not change if competition in public long distance telephone services were to be permitted in some or all jurisdictions. It was assumed that each telephone company will continue to be regulated by the same regulators whether competition was permitted or not. The assumed continuation of the present policies and practices in the regulation of monopoly services implied, among others, the following restrictions and/or obligations imposed on the regulated carriers:

- the approval of rates by the regulator;

- certain obligations to serve households and businesses that require service in the territories in which the telephone company has a monopoloy even if such service were not profitable;

- ensuring universality of service through such measures as rate averaging and route averaging, with the same rates being offered to communities of similar size and routes of similar length, regardless of the associated costs of service;

- submitting to the regulator periodic information on expansion and modernization plans, capital and operating budgets, financial statements, etc., to allow the regulator to oversee the carrier's conduct of business in the long term interest of the subscribers;

- allowing certain types of interconnection between the carrier's system and facilities owned or operated by others, according to conditions prescribed by the regulator.

It was assumed in the study that if a Facility Based Carrier or a reseller would plan to interconnect his facilities with a regulated telephone company's system he would have to make an application to the regulator of the particular telephone company for permission to do so. "Telephone company" in this assumption means the company that provides local exchange services in a particular area.

The regulator of the particular telephone company can then either refuse the application or allow interconnection under certain conditions. These conditions would include the setting of various charges that the telephone company would be allowed to charge for the interconnection, as outlined in Part I of the report. They include:

- the "contribution charges" analyzed in detail in the study
- charges for the trunk lines interconnecting the telephone company's system with the system of the applicant
- the reimbursement of any special expenditures that the telephone company may incur as the result of the interconnection and the services requested by the interconnector
- charges for the use of any telephone company facilities or services by the interconnector.

These assumptions do not address the question whether the interconnector, be it a Facility Based Carrier wanting to compete in public long distance telephone services, or a reseller of any type, would be under regulation himself. It was not necessary to address this issue in order to determine the financial impacts of competition as they would not be affected by the form of regulation (or its absence) related to a competitor. The assumption was implied in the study that any competitor would be fully subjected to the regulators' jurisdiction through the interconnected telephone company which may disconnect the competitor at any time with the regulators' permission if the conditions specified under the interconnection rules were not met. Hence, the issue of whether the competitor himself was regulated was not considered to be relevant to the purpose of this study.*

The regulatory framework described above represents one set of assumptions. It was necessary to make these assumptions in order to carry out the financial evaluations of the study. It was not the objective of the study, however, to evaluate the assumptions themselves or compare them with other possible assumptions.

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* The competitor, if not regulated, would nonetheless be entitled to appear before the telephone companies' regulators as intervenor to argue the Telcos' application for contribution charges and show their impacts on his own finances.

THE PHYSICAL ENVIRONMENT

The competitive systems that were analyzed in the study were described in Part I of the report. These are the key characteristics of the competitive systems, whether operated by a Facility Based Carrier or by resellers renting facilities from the telephone companies:

- The competitors provide service both within the territories served by individual telephone companies and between the territories served by several telephone companies.

- Access to the competitor's system is provided through the telephone companies' public switched network. Accordingly, a subscriber of a telephone company accesses the competitor's long distance facilities by using the same telephone set as he/she would use for a local call or for a long distance call that does not involve the competitor's services. Similarly, at the receiving end, access from the competitor's long distance facilities to the called subscriber is provided through the local telephone company's public switched network.

- The competitor has "presence", i.e., switching facilities, in many cities. He is therefore not merely a provider of main long distance lines between a few major centres where the regional telephone company "takes over" the traffic. Hence, the contribution charges paid by the competitors apply strictly to the use of the telephone companies' local network. If a competitor wanted to access a susbscriber in a city not served by the competitor, he would have to use the telephone company's regional toll network and pay the regular toll rates between his switching centre and the remote customer. The competitor would then be billed for the call on an individual basis, like any other subscriber of the telephone company.

- In order to use the competitor's services customers must sign contracts with the competitor. They will then be billed monthly in accordance with the services used, on a per-minute basis.* The competitor will have rate structures that are generally different from the telephone companies he competes with. The discounts implied in these rate structures are the major stimulants for the acquisition of market share for the competitor.

- The various dialling arrangements assumed in the analysis were described in Part I of the report.

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* With perhaps an additional flat rate component.

The key characteristic of the system described above is the multi-city presence of the competitor and the fact that his "contribution payments" or "carrier access charges" are only for access to and from the customers through the telephone companies' local network. This assumption differs from such systems as those used by Teleglobe Canada for overseas traffic which is an example of an interconnecting carrier that has only three points of presence in Canada with the telephone companies providing connection between these "gateways" and subscribers at large distances from the gateways. Thus, the access charges paid by Teleglobe Canada (which are much higher than those used in this study) apply not only to the local access to/from subscribers but also to a significant amount of long distance carriage of messages. Similar arrangements exist in several jurisdictions in the United States between the regional telephone carriers and the interstate long distance carriers.

The competing long distance carrier has the option of by-passing the local carrier's switched network by building or renting direct access lines between his switching centres and major customers. For customers with sufficient traffic volume such by-pass may be economical. The savings that would accrue to the competiting carriers and the losses that would accrue to the local exchange carriers through such by-pass were not included in the analysis and were considered to be outside the Terms of Reference of this study.

While complete end-to-end connection between large customers is a type of competition distinctly different from the type of competition analyzed in this study, a "hybrid" type of competition is conceivable, in which a competitor would access large customers directly at one end, and smaller customers through the public switched network at the other. These examples highlight the fact that the competitive environment examined in this study represents only one alternative of several possible environments. Nevertheless, the environment analyzed in the study is probably the one with the most wide-ranging impacts on the telephone carriers and their customers.

THE ECONOMICS OF LONG DISTANCE COMPETITION

In this Section we focus on the scenarios in which a competitor discounts the telephone companies' long distance rates by 25 percent and the telephone companies lose 20 percent of their traffic. Among the range of scenarios examined in the study, and considered to have some degree of probability, these scenarios would have the most severe impacts on the telephone companies and their subscribers. Many other scenarios were examined that had less severe impacts.

The following cases are discussed:

- Facility Based Carrier, Canada-wide competition
- Facility Based Carrier, competition in Bell-B.C.Tel territory
- Reseller
- Both types of competitor.

Facility Based Carrier - Canada-wide Competition

The fundamental issues concerning the economics of competition in public long distance telephone services are explained in broad terms for the case in which a Facility Based Carrier competes Canada-wide with the existing telephone companies.

The models used in the study indicated that the marginal costs of providing switching and transmission between toll offices are approximately identical for the existing carriers and the competitor: 8.8 cents per minute in 1995 dollars (including returns on the telephone companies' investment). The costs above exclude the costs associated with forwarding the messages between the carriers' toll offices and the subscribers at each end. This function is performed in all cases by the existing telephone companies, and the costs associated with that portion of the traffic are therefore common to both. They were estimated by the 'Study Group' as 5.0 cents per minute in 1995 dollars (at both ends combined).

The average rate charged for a toll call by the existing telephone companies was projected to be 44.6 cents per minute in 1995. This means that after subtracting the 8.8 cent long distance service cost from that average toll revenue, 35.8 cents remain to cover the 5.0 cents above and the telephone companies' common costs (including those of the subscriber loops and other costs that were considered fixed with respect to toll traffic in the telephone company model).

As noted earlier in the report, the Phase III Cost Inquiry indicated that the marginal costs attributable to particular services are higher than the Recoverable Assigned Costs of the RSP used in the telephone company model of this study. Hence, the 8.8-cent-per-minute average cost shown for the telephone companies might be understated and the amount of contribution flowing to the telephone companies' true fixed costs might be smaller than the amount indicated above.

With the competitor charging 25 percent less for telephone messages than the telephone companies, his average revenue per message would only be 33.45 cents per minute. Hence, after subtracting the 8.8 cent long distance service cost, only 24.65 cents per minute remain for covering the competitor's own fixed costs and the various payments he makes to the telephone company. This is 11.15 cents less than the contribution made by the telephone companies' own toll traffic to the telephone companies after costs.

This is the reason why a competitor cannot afford to pay the telephone companies full compensation for their lost incomes. If the competitor would not discount the telephone company's long distance rates he might be able to do so. However, due to the discounting, the ultimate users of long distance services will pay less into the system than under full rates and create a deficiency that has to be made up from an increase in local rates.

Thus, the type of competition examined in this study has basically the same financial impacts as rate rebalancing. In fact, the system described above represents a form of partial rate rebalancing in which only 20 percent of the telephone companies' long distance traffic is "rebalanced" (i.e., the portion taken away by the competitor). As long as the costs of the competitior match the costs of the existing telephone companies, there is no difference in economic terms between the impacts of a competitor discounting his rates and the impacts of a system in which an existing telephone company itself rebalanced the rates of a certain portion of its long distance traffic.

The larger the differences between the long distance rates charged by the telephone companies and the marginal costs of traffic the greater is the potential for applying discounts to the telephone companies' rates by a competitor. With deeper discounts the competitor has a greater opportunity for acquiring more significant market shares. If it was not for regulation the telephone company could then respond to the competition by lowering its own long distance rates. Under price regulation, however, the regulator can impose any price differential between the competing carriers he deems appropriate and thereby influence the market shares that a competitor could acquire.

One of the most important conclusion from these considerations is the fact that as long as the costs of providing long distance service by the existing telephone companies and their competitors are approximately equal, there would be little or no difference between the financial impacts of a competitor acquiring and discounting a portion of the traffic and the alternative in which the telephone companies themselves reduced the rates of a similar portion of their own traffic.

Facility Based Carrier - Competition in Bell-B.C.Tel Territory

When competition occurs only in the territories of Bell Canada and B.C.Tel (including the traffic between the two territories and points in the United States and Overseas) the subscribers of other telephone companies will still be affected for the following reasons:

- All the companies are partners in Telecom Canada. Due to the revenue sharing agreement described earlier in the report a loss of revenue to Telecom Canada will affect all members. It is described later in the report that contribution payments made to the Telecom Canada revenue pool rather than to the individual telephone companies' would reduce the financial impacts on the carriers not directly affected by competition.

- Since the carriers subjected to competition will devote fewer resources to toll traffic (due to their loss of traffic) their Recoverable Assigned Costs associated with toll traffic will decline. Consequently, their Member Participation Measure will also decline, affecting the revenue distribution from the Telecom Canada pool (in addition to the changes in the size of the pool itself).

- Manitoba, Saskatchewan and Alberta will lose transit traffic. This will reduce the resources assigned to that traffic and, consequently, the Recoverable Assigned Costs associated with those resources. This will reduce the Member Participation Measures (and therefore revenue shares) of the carriers in those provinces.

The impact of the first item above is negative for all Telecom Canada members. Since the competitor's contribution payments do not fully compensate the Telecom Canada members for their losses, the total Telecom Canada revenue pool will be smaller under competition than without it.

The second item is negative for the carriers directly affected by competition. As explained in Part I of the report, the Member Participation Measure is directly proportional to the ratio of the costs associated with Telecom Canada traffic to the costs associated with all monopoly traffic. Under long distance competition the former declines to a greater extent than the latter, as the latter includes Local and Adjacent Company Toll traffic, which is not subject to competition. The table below shows the reduction of each group of costs for Bell and B.C.Tel under a 20 percent Telecom Canada traffic loss.

	Bell	B.C.Tel
Reduction in Telecom Canada Assigned Costs	15.3%	14.4%
Reduction in Total Monopoly Assigned Costs	8.6%	7.2%
Reduction in Member Participation Measure	7.3%	7.8%

When the two largest Canadian carriers' Member Participation Measures decline, these two carriers will receive relatively less from the common revenue pool. Consequently, those carriers whose Member Participation Measure didn't change will receive relatively more (since the pool is divided among members in proportion to their Member Participation Measures). This has a positive impact on the revenues of the carriers not subjected to competition.

The loss of transit traffic has a relatively small impact. Transit traffic represents approximately one-third of Manitoba's and Saskatchewan's Telecom Canada traffic. However, only about ten percent of their total

Telecom Canada traffic is between B.C.Tel and Bell territories, the remainder is between other jurisdictions. Hence, a 20 percent reduction in the B.C.Tel-Bell traffic will reduce Manitoba Tel's and SaskTel's Member Participation Measure (and therefore revenue shares) by approximately 2 percent. AGT's revenue share will decline by approximately 1.5 percent.

Reseller Competition

The economics of competition by resellers is similar in structure to the economics of competition by a Facility Based Carrier. The differences are in the costs of providing the service.

Whereas a national Facility Based Carrier can achieve economies of scale that are similar to those achievable by the existing telephone companies, resellers with basically regional operations do not have opportunities for achieving efficiencies similar to those of the telephone companies.

At the root of the resellers' economic disadvantage vis-a-vis a Facility Based Carrier is the resellers' inability to achieve traffic densities on their transmission lines that are comparable to those that high volume service providers can achieve. These are the reasons for the lower traffic densities:

- It was assumed that there will be, on average, four resellers in a city assumed to be served by a single national Facilty Based Carrier in the previous scenario.

- These resellers, while serving only one quarter of the local competing market, would not be able to combine their transmission facilties with those of other resellers located in other cities. For example, a reseller in Toronto would need transmission facilities to Vancouver just for the Toronto market. Another reseller in Windsor would need separate facilities and so would a reseller in Ottawa or Montreal. In contrast, a Facility Based Carrier can merge the traffic of all these locations into a single East-West link from one central point in Ontario to one central point in, say, Alberta. From that point a Facility Based Carrier can then serve Calgary, Edmonton, Vancouver and many other locations in that region. The transmission link between Ontario and Alberta could thus be highly utilized. In contrast, a reseller would have to rent different transmission lines from each of the points in the East to each of the points in the West.

- Because of the low traffic densities between most points a reseller can not use the digital technology that makes the concentration of messages possible. Through concentration, say, the equivalent of 23 conventional transmission circuits combined can carry traffic volumes two to four times higher than 23 individual circuits operated by different service providers. The number of city pairs between which resellers could make use of such highly efficient concentration of traffic is limited to just a handful in Canada.

- The low traffic densities and the associated high costs of transmission lead to a secondary problem which further reduces the utilization of the resellers' transmission circuits. Since the high costs would force many resellers to limit their service to the larger cities, they could not afford the "universality" that a national Facility Based Carrier can offer. Such limitations would cause difficulties in attracting certain groups of customers, particularly in the residential sector. Since that sector is essential for filling transmission facilities during evening hours and weekends the problems of insufficient universality further reduces the volume of traffic that can be moved through a reseller's transmission circuits.

The study indicated that the cost of service for a typical small reseller, as described above, will be 10.35 cents per minute higher than the costs of the telephone companies or of a Facility Based Carrier: 19.15 cents per minute instead of 8.8 cents per minute. As the result of this difference a small reseller can only afford to pay the telephone companies 5.5 cents per minute (at both ends) in contribution charges vs. the 15.85 cent contribution charge paid by a Facility Based Carrier. This difference results in larger revenue deficiencies for the telephone companies and the need for local rate increases that are approximately twice as high as those resulting from competition by a Facility Based Carrier.

The profile of a small reseller described in this Section represents one extreme of the range of competitors, with a single national Facility Based Carrier representing the other extreme. Between the two, various sizes of competitors or various alliances among competitors, may develop. As these competitors become larger in size they can afford more circuits that are suitable for efficient concentration of traffic. With increased volumes their opportunity for building networks rather than providing individual links between city pairs will be enhanced. This will produce a greater degree of universality and attract more residential customers during off-peak hours. In this manner some of the resellers might be expected to move closer to the efficiency of a Facility Based Carrier and their costs of transmission would be reduced. The economies of the system would thus be enhanced and the amounts of local rate increases would be smaller.

In order to model a scenario between the two extremes of a single national Facility Based Carrier and a large number of small resellers, an example of a scenario was chosen in which a Facility Based Carrier has 75% of the competing market and small resellers have the remaining 25%. Such a scenario is described below.

Mixed Competition

In the scenario discussed below the telephone companies still lose 20% of their long distance traffic but they lose 15% of that traffic to a Facility Based Carrier and 5% of their traffic to resellers.

In this "mixed" scenario it is impracticle to assume that the Facility Based Competitor and the resellers would offer different discounts. If, for example, the resellers were to offer a smaller discount than the Facility Based Carrier, it would be difficult to find an explanation why anyone would use the resellers' services for placing long distance calls instead of using the lower-priced Facility Based Carriers' service.

It is obvious from the earlier discussions that at the same level of discount a reseller can not afford to pay the same contribution charges to the telephone companies as the Facility Based Carrier. In order to keep that type of competition practical, therefore, a regulatory approach would have to be found that discriminates between a reseller and a Facility Based Carrier. The most likely approach would probably consist of a scale of contribution charges increasing with the volume of traffic. This study assumed a blend of contribution charges, consisting of 75% of the charges identified for the Facility Based Carrier and 25% for the resellers.

As expected, the increases in local rates resulting from a "mixed" scenario were found to be between the rate increases resulting from a "pure" Facility Based Carrier scenario and those resulting from a "pure" reseller scenario. The rate increases pertaining to a mixed scenario were found to be approximately in the same relative position with respect to the rate increases pertaining the two "pure" scenarios as the market shares of the two types of competitors.

III. THE STUDY RESULTS

The detailed study results are presented in tables under separate cover. Some of the tables are also included in this report. In Exhibit 6 the tables for the 1995 "Base Case" are shown. They represent no competition at "Status Quo" rates.

Each table consists of two parts: in the top part the same percentage increases are applied to all subscriber access lines, including those of residential, and (single-line plus multi-line) business subscribers. In the bottom part the same dollar increases are applied to all access lines. Two such tables are shown side by side: a table for residence subscribers on the right side and a table for business subscribers on the left side (in this report and also in the separate volumes of detailed study outputs).

The local rates and their increases are shown in the tables in 1995 dollars. Considering inflation, an actual residential rate increase, shown as, say, $1.00 in the Tables, would appear to the actual subscribers in 1995 as a rate increase of 71 cents would appear to today's subscribers. To express the rates and rate increases shown in the Tables in 1988 dollars all the dollar figures in the Tables should be multiplied by 0.71.

Exhibit 6 shows the predicted local residence and business rates for 1995, in consideration of the rate changes that were found to be necessary for balancing the carriers' income statements in that year. These rate changes were shown earlier, in Exhibit 1.

The rates shown in the tables apply to single access lines, excluding the rates for the basic rotary black set.* Since business lines also include such higher priced lines as provided for key sets and for PBX switches, the number of those types of lines was weighted by the appropriate multipliers to reflect actual tariffs. This means that if a rate increase for a single line of, say, $5.00 is shown in a table in the business portion, and the tariffs indicate that the rate for a PBX trunk is actually twice as high as the single line rate, the weight implied in the tables for such a trunk would be 2.0 and the rate increase implied for the trunk would be $10.00.

The columns showing the monthly rate increases caused by competition are self-explanatory. The last three columns of the tables require some explanation. They are explained in the Sections below.

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* Where the rates for such sets are not unbundled, a notional amount of $1.00 per month was deducted from the bundled rate.

EXHIBIT 6

TELECOM CANADA MEMBERS

1 of 5(A)

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA		0.00%
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA	0.00%
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA	0.00%
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA	0.00%
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA	0.00%
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA		0.00%
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA		0.00%
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA	0.00%
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA	0.00%
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA		0.00%
Unweighted Average		28.22	0.00	0.0%	28.22	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA	
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA	
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA	
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA	
Unweighted Average		28.22	0.00	0.0%	28.22	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
Market Lost to Competition:	0.0%	
		Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA		NA
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA		NA
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA		NA
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA		NA
Unweighted Average		9.06	0.00	0.0%	9.06	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA	
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA	
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA	
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA	
Unweighted Average		9.06	0.00	0.0%	9.06	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	--------- BUSINESS --------- MONTHLY RATE CHANGE ($)		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
			($)	(%)				
Terra Nova Tel	(0.0)	20.30	0.00	0.0%	20.30	NA	NA	0.00%
Quebec-Tel	0.0	20.34	0.00	0.0%	20.34	NA		0.00%
Telebec	(0.0)	32.05	0.00	0.0%	32.05	NA		0.00%
Northern Tel	0.0	23.75	0.00	0.0%	23.75	NA		0.00%
Thunder Bay	(0.0)	10.93	0.00	0.0%	10.93	NA		0.00%
'edmonton tel'	0.0	19.24	0.00	0.0%	19.24	NA		0.00%
Prince Rupert	(0.0)	19.70	0.00	0.0%	19.70	NA		0.00%
NorthwesTel	(0.0)	12.92	0.00	0.0%	12.92	NA		0.00%
Total or Mean	0.0	19.54	0.00	0.0%	19.54	NA		0.00%
Unweighted Average		19.90	0.00	0.0%	19.90	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(0.0)	20.30	0.00	0.0%	20.30	NA	NA
Quebec-Tel	0.0	20.34	0.00	0.0%	20.34	NA	
Telebec	(0.0)	32.05	0.00	0.0%	32.05	NA	
Northern Tel	0.0	23.75	0.00	0.0%	23.75	NA	
Thunder Bay	(0.0)	10.93	0.00	0.0%	10.93	NA	
'edmonton tel'	0.0	19.24	0.00	0.0%	19.24	NA	
Prince Rupert	(0.0)	19.70	0.00	0.0%	19.70	NA	
NorthwesTel	(0.0)	12.92	0.00	0.0%	12.92	NA	
Total or Mean	0.0	19.54	0.00	0.0%	19.54	NA	
Unweighted Average		19.90	0.00	0.0%	19.90	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER		
Geographic Areas of Competition:	All Canada		
Rate Structure:	STATUS QUO RATES		
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.	
Market Lost to Competition:	0.0%		
		Competing rates discounted by	0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(0.0)	8.14	0.00	0.0%	8.14	NA	NA	NA
Quebec-Tel	0.0	7.64	0.00	0.0%	7.64	NA		NA
Telebec	(0.0)	11.13	0.00	0.0%	11.13	NA		NA
Northern Tel	0.0	8.97	0.00	0.0%	8.97	NA		NA
Thunder Bay	(0.0)	4.63	0.00	0.0%	4.63	NA		NA
'edmonton tel'	0.0	6.94	0.00	0.0%	6.94	NA		NA
Prince Rupert	(0.0)	8.52	0.00	0.0%	8.52	NA		NA
NorthwesTel	(0.0)	6.46	0.00	0.0%	6.46	NA		NA
Total or Mean	0.0	7.97	0.00	0.0%	7.97	NA		NA
Unweighted Average		7.80	0.00	0.0%	7.80	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(0.0)	8.14	0.00	0.0%	8.14	NA	NA
Quebec-Tel	0.0	7.64	0.00	0.0%	7.64	NA	
Telebec	(0.0)	11.13	0.00	0.0%	11.13	NA	
Northern Tel	0.0	8.97	0.00	0.0%	8.97	NA	
Thunder Bay	(0.0)	4.63	0.00	0.0%	4.63	NA	
'edmonton tel'	0.0	6.94	0.00	0.0%	6.94	NA	
Prince Rupert	(0.0)	8.52	0.00	0.0%	8.52	NA	
NorthwesTel	(0.0)	6.46	0.00	0.0%	6.46	NA	
Total or Mean	0.0	7.97	0.00	0.0%	7.97	NA	
Unweighted Average		7.80	0.00	0.0%	7.80	NA	

The study results are discussed in two parts: first for the case of Facilty Based Carrier competition, followed by a discussion of competition by resellers.

FACILITY BASED CARRIER COMPETITION

Status Quo Rates

Exhibit 7A shows the results of simulating a case in which a Facility Based Carrier offers rates with a discount of 25 percent from the telephone companies' rates. The telephone companies lose 20 percent of their long distance traffic. As explained earlier, the competitor gains more than 20 percent of the Telcos' original traffic, due to the lower price of his service and the elasticity of demand. In the example shown, the competitor actually gained an amount equal to 24.1 percent of the telephone companies original traffic.

Exhibit 7A shows the impact of competition in Bell and B.C.Tel territories only.

The local rate increases in Exhibit 7A show an interesting phenomenon: when the competitor competes only in Bell and B.C.Tel territory, every province will suffer revenue shortfalls, due to the Revenue Settlement Plan (RSP). In fact, there is hardly any difference between orders of magnitude by which local rates would have to increase in all jurisdictions, whether they allowed competition or not.

The reason for this situation is the assumption that Bell and B.C.Tel will keep all the contribution payments that they receive from the competitor for allowing access to their subscribers. Consequently the TransCanada revenue pool will lose the revenues related to the traffic lost to the competitor. With that much less money available for distribution all Telecom Canada members will suffer losses in spite of the fact that Bell's and B.C.Tel's Member Participation Measures will be somewhat reduced in relation to those of the other members (i.e., the others' will represent a higher proportion of the total). The study results indicate that the reductions in MPM's are insufficient to offset the impacts of the lower total amount of money in the revenue pool, and, consequently, the subscribers of all Telecom Canada members will have to experience local rate increases, regardless of the fact that competition might not have been allowed in their territory.

Exhibit 7B shows that a more justifiable distribution of the burdens resulting from competition could be achieved by making the competitor's contribution payments flow into the Telecom Canada revenue pool rather than directly to the telephone companies that allow interconnection. Even though this was not the arrangement addressed at the 1984 CRTC Interexchange Competition Hearings it appears that payments into the pool would be more in line with the Revenue Settlement Plan rules than the arrangement resulting in the rate increases depicted in Exhibit 7A. These are the reasons for this contention:

- All revenues related to TransCanada services are collected by the telephone companies on behalf of Telecom Canada and the companies are not entitled to keep them. Revenues collected from the competitor in the form of contribution payments are not different from revenues collected directly from customers, as these payments simply replace a portion of the lost revenues; if those revenues had not been lost they would have gone into the common revenue pool and not directly to the telephone companies.

- The contribution payments paid by the competitor are, in fact, commissions paid to the Telecom Canada members, acting as local distributors of traffic. In this respect, for example, Bell Canada distributing a competitor's toll traffic in Toronto would act exactly in the same way as, say, Thunder Bay Telephones acts when it distributes Bell Canada's toll traffic. The only difference is that in the former case Bell Canada is the recipient of the commission while in the second case Bell Canada pays it. Since, under present RSP rules commissions that are paid in relation to Telecom Canada traffic to the independent carriers are deductible from the revenue pool, commissions received should, by analogy, be added to the pool rather than to the direct revenues of the telephone companies that provide interconnection.

As shown in Exhibit 7B, the alternative arrangement described above would make the telephone companies that do not allow long distance competition less sensitive to the actions of those Telecom Canada members that do.

A comparison of Exhibit 7A and 7B indicates that while under the first arrangement those telephone companies that do not allow competition would require local residential rate increases in the range of $0.68 to $1.31 and business rate increases in the range of $2.16 to $3.65, in the alternative case several of those companies would actually be able to afford small local rate reductions. Exhibit 7B shows that when contribution charges are paid into the Telecom Canada pool, those companies that do not allow competition will experience a top residential rate increase of 35 cents and a top business rate increase of $1.24. The reason for the rate reductions is the reduction in Bell's and B.C.Tel's Member Participation Measures (due to a reduction in their costs assigned to Telecom Canada traffic) and the corresponding relative increase in the revenue shares of the other companies. The Prairie provinces' rate increases are partly due to the loss of transit traffic (about 2 percent of all of their Telecom Canada traffic in the case shown).

In the last three columns of the table a further analysis of the simulation results is provided.

EXHIBIT 7A

TELECOM CANADA MEMBERS

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INPUTS:	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	6.65 cts/min	15.9% of Telco rate.
	Market Lost to Competition:	-20.0%	
			Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.4)	37.82	2.26	6.0%	40.08	NA	NA	1.18%
Island Tel	(1.2)	30.36	2.21	7.3%	32.57	NA	NA	1.75%
MT&T	(9.2)	25.60	2.16	8.4%	27.76	NA	NA	1.48%
NBTel	(7.9)	32.22	3.18	9.9%	35.41	NA	NA	1.65%
Bell	(208.9)	35.12	3.46	9.9%	38.59	13.86	79.5%	1.98%
Manitoba Tel	(13.3)	18.19	2.25	12.4%	20.44	NA	NA	1.62%
SaskTel	(14.1)	17.07	2.62	15.3%	19.69	NA	NA	1.55%
AGT	(38.0)	22.85	3.65	16.0%	26.50	NA	NA	1.90%
B.C. Tel	(57.5)	34.72	4.65	13.4%	39.38	18.62	76.5%	2.51%
Total or Mean	(353.5)	31.64	3.45	10.9%	35.09	13.79		1.96%
Unweighted Average		28.22	2.94	10.4%	31.16	11.75		1.74%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(3.4)	37.82	1.15	3.0%	38.98	NA	NA
Island Tel	(1.2)	30.36	1.07	3.5%	31.43	NA	NA
MT&T	(9.2)	25.60	1.14	4.5%	26.74	NA	NA
NBTel	(7.9)	32.22	1.34	4.2%	33.56	NA	NA
Bell	(208.9)	35.12	1.59	4.5%	36.71	6.37	86.1%
Manitoba Tel	(13.3)	18.19	1.18	6.5%	19.37	NA	NA
SaskTel	(14.1)	17.07	1.41	8.3%	18.48	NA	NA
AGT	(38.0)	22.85	2.01	8.8%	24.87	NA	NA
B.C. Tel	(57.5)	34.72	2.15	6.2%	36.88	8.62	84.4%
Total or Mean	(353.5)	31.64	1.64	5.2%	33.28	6.57	
Unweighted Average		28.22	1.45	5.1%	29.67	5.80	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	6.65 cts/min	15.9% of Telco rate.
	Market Lost to Competition:	-20.0%	
			Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.4)	11.39	0.68	6.0%	12.07	NA	NA	NA
Island Tel	(1.2)	10.13	0.74	7.3%	10.87	NA	NA	NA
MT&T	(9.2)	9.89	0.83	8.4%	10.72	NA	NA	NA
NBTel	(7.9)	9.12	0.90	9.9%	10.02	NA	NA	NA
Bell	(208.9)	10.39	1.03	9.9%	11.42	4.10	77.2%	9.76
Manitoba Tel	(13.3)	6.21	0.77	12.4%	6.97	NA	NA	NA
SaskTel	(14.1)	6.07	0.93	15.3%	7.00	NA	NA	NA
AGT	(38.0)	8.23	1.31	16.0%	9.54	NA	NA	NA
B.C. Tel	(57.5)	10.08	1.35	13.4%	11.43	5.41	79.4%	11.71
Total or Mean	(353.5)	9.78	1.06	10.8%	10.83	4.23		11.15
Unweighted Average		9.06	0.95	10.5%	10.01	3.80		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(3.4)	11.39	1.15	10.1%	12.54	NA	NA
Island Tel	(1.2)	10.13	1.07	10.5%	11.20	NA	NA
MT&T	(9.2)	9.89	1.14	11.5%	11.03	NA	NA
NBTel	(7.9)	9.12	1.34	14.7%	10.46	NA	NA
Bell	(208.9)	10.39	1.59	15.3%	11.98	6.37	72.1%
Manitoba Tel	(13.3)	6.21	1.18	19.0%	7.39	NA	NA
SaskTel	(14.1)	6.07	1.41	23.2%	7.48	NA	NA
AGT	(38.0)	8.23	2.01	24.5%	10.24	NA	NA
B.C. Tel	(57.5)	10.08	2.15	21.4%	12.24	8.62	75.1%
Total or Mean	(353.5)	9.78	1.64	16.8%	11.41	6.55	
Unweighted Average		9.06	1.45	16.0%	10.51	5.80	

EXHIBIT 7B

TELECOM CANADA MEMBERS

13 of S(B)alt

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 6.65 cts/min 15.9% of Telco rate.
Market Lost to Competition: -20.0%

(Contribution payment to Telecom Canada Pool)

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	0.4	37.82	-0.30	-0.8%	37.52	NA	NA	-0.16%
Island Tel	0.0	30.36	-0.04	-0.1%	30.32	NA	NA	-0.03%
MT&T	0.5	25.60	-0.12	-0.5%	25.48	NA	NA	-0.08%
NBTel	(3.1)	32.22	1.24	3.8%	33.46	NA	NA	0.64%
Bell	(265.0)	35.12	4.39	12.5%	39.52	17.58	76.7%	2.51%
Manitoba Tel	(4.9)	18.19	0.83	4.6%	19.02	NA	NA	0.60%
SaskTel	(2.6)	17.07	0.49	2.9%	17.56	NA	NA	0.29%
AGT	(8.6)	22.85	0.82	3.6%	23.68	NA	NA	0.43%
B.C. Tel	(76.7)	34.72	6.21	17.9%	40.93	24.83	72.4%	3.35%
Total or Mean	(360.0)	31.64	3.56	11.3%	35.20	14.25		2.00%
Unweighted Average		28.22	1.50	5.3%	29.72	6.01		0.84%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	0.4	37.82	-0.15	-0.4%	37.67	NA	NA
Island Tel	0.0	30.36	-0.02	-0.1%	30.34	NA	NA
MT&T	0.5	25.60	-0.06	-0.3%	25.54	NA	NA
NBTel	(3.1)	32.22	0.52	1.6%	32.74	NA	NA
Bell	(265.0)	35.12	2.02	5.7%	37.14	8.08	84.5%
Manitoba Tel	(4.9)	18.19	0.44	2.4%	18.63	NA	NA
SaskTel	(2.6)	17.07	0.26	1.6%	17.33	NA	NA
AGT	(8.6)	22.85	0.45	2.0%	23.31	NA	NA
B.C. Tel	(76.7)	34.72	2.87	8.3%	37.60	11.50	82.0%
Total or Mean	(360.0)	31.64	1.65	5.2%	33.29	6.60	
Unweighted Average		28.22	0.70	2.5%	28.92	2.81	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER
	Geographic Areas of Competition:	Bell-B.C.Tel Only
	Rate Structure:	STATUS QUO RATES
	Contribution Charge:	6.65 cts/min 15.9% of Telco rate.
	Market Lost to Competition:	-20.0%

(Contribution payment to Telecom Canada Pool)

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	0.4	11.39	-0.09	-0.8%	11.30	NA	NA	NA
Island Tel	0.0	10.13	-0.01	-0.1%	10.12	NA	NA	NA
MT&T	0.5	9.89	-0.05	-0.5%	9.84	NA	NA	NA
NBTel	(3.1)	9.12	0.35	3.8%	9.47	NA	NA	NA
Bell	(265.0)	10.39	1.30	12.5%	11.69	5.20	74.8%	10.60
Manitoba Tel	(4.9)	6.21	0.28	4.6%	6.49	NA	NA	NA
SaskTel	(2.6)	6.07	0.18	2.9%	6.24	NA	NA	NA
AGT	(8.6)	8.23	0.30	3.6%	8.52	NA	NA	NA
B.C. Tel	(76.7)	10.08	1.80	17.9%	11.89	7.21	77.1%	13.40
Total or Mean	(360.0)	9.78	1.10	11.2%	10.87	4.39		11.24
Unweighted Average		9.06	0.45	5.0%	9.51	1.80		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	0.4	11.39	-0.15	-1.3%	11.24	NA	NA
Island Tel	0.0	10.13	-0.02	-0.2%	10.11	NA	NA
MT&T	0.5	9.89	-0.06	-0.7%	9.82	NA	NA
NBTel	(3.1)	9.12	0.52	5.7%	9.64	NA	NA
Bell	(265.0)	10.39	2.02	19.4%	12.41	8.08	67.9%
Manitoba Tel	(4.9)	6.21	0.44	7.0%	6.64	NA	NA
SaskTel	(2.6)	6.07	0.26	4.4%	6.33	NA	NA
AGT	(8.6)	8.23	0.45	5.5%	8.68	NA	NA
B.C. Tel	(76.7)	10.08	2.87	28.5%	12.96	11.50	71.0%
Total or Mean	(360.0)	9.78	1.71	17.5%	11.49	6.85	
Unweighted Average		9.06	0.70	7.8%	9.76	2.81	

The column entitled "Breakeven Monthly Toll Bill" shows, in each table, the amount of minimum toll usage for which a customer would have to be billed (in dollars per month) in order to make competition in long distance services financially advantageous to him or her. If competition were introduced and a customer's toll usage exceeded the amount shown, and the customer decided to switch to the competitor's service, his or her total telephone bill would be lower than before the introduction of competition.

The next column shows the percentage of access lines (rather than customers) that fall into the category described above (i.e., the percentage of access lines that use toll services in excess of the breakeven amount). These percentages were derived from detailed carrier data submitted in confidence to the Examination.

It should be noted that the percentages shown in the Table indicate the percentage of access lines that would generate a lower total telephone bill under competition than without it if the subscribers of those lines actually did switch to the competitor. Considering the 10 percent and 20 percent penetrations considered in this study it is evident that a sizeable number of subscribers who would be better off after the introduction of competition than before, if they switched, would still not do so.

The reason why many people would not switch to the competitor, in spite of possible financial advantages, may be a lower level of convenience offered by the competitor (more cumbersome dialing), the uncertainty about the competitor's continuing presence in the marketplace, or concerns about a potentially lower level of service.

Once competition started and local rates increased, all subscribers who did not switch to the competitor will receive higher total telephone bills than before competition; those subscribers who fall outside the percentages shown in the Tables will receive higher bills even if they switched.

The last column in the "Business" section of the tables (left side page) shows the reductions in expenses that would have to be achieved by the telephone companies to completely offset the negative financial imacts of competition.* They are measured in terms of reductions in total telephone company expenses, including both capital-related and operating expenses. It is important to note that the reductions in expenses were assumed to apply to all services and overhead functions of the telephone companies, not just long distance services. This definition implies that under competition telephone companies may apply across-the-board cost saving measures within their company that they would not have applied without competition, including reduced capital investment as well as reductions in operating expenses.

The tables show that one-time expense reductions of up to 2.5 percent would be required to offset the negative financial impacts of competition in the case of direct compensation payments to Bell and B.C.Tel (Exhibit 7A) and 3.4 percent in the alternative case (Exhibit 7B).

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* Labelled "productivity improvements" in the Tables.

The last column in the "Residence" section of the tables (right side page) is entitled "Full Contribution Charge Requirement". It shows the fully compensatory contribution charges which would make the Telcos financially indifferent to competition. The tables show that these charges are higher than the actual charge of 6.65 cents that the competitor pays: they are 11.2 cents on a systemwide average basis.

Exhibit 8 shows the impacts of competition across all of Canada. These tables include both the members of Telecom Canada and the independent telephone companies. The tables show residence rate increases ranging from $0.63 to $3.18 for the Telecom Canada members and from a $0.79 rate reduction to a $2.75 rate increase for the independent companies. Business rate changes range from an increase of $1.85 to $8.83 for the majors and from a $2.19 decrease to a $7.31 increase for the independents. The average residence and business rate increases are: $1.83 and $5.98 for the majors and $0.30 and $1.83 for the independents.

Independent companies showed generally lower rate increases than the Telecom Canada members because some independent companies' financial losses from commissions would be more closely offset by the competitor's contribution payments than the financial losses of the major companies. For three all-urban independent companies (with no toll networks) the competitor's contribution payments would actually cause a net revenue increase.

Within each group of companies there are significant differences between the impacts of competition. For example, the Manitoba Telephone System (MTS) shows the smallest impacts. There are two reasons for this result. First, MTS's toll traffic provides the lowest contribution to common costs among all telephone companies: 21.5 cents per minute versus a systemwide average of 30.0 cents per minute. Hence, the loss of toll traffic is not as significant in Manitoba as elsewhere. Secondly, MTS receives lower settlements from the Telecom Canada revenue pool than the revenues it actually collects. Consequently, when the competitor pays his contribution payment directly to MTS, MTS benefits. If the competitors paid their contribution payments to the Telecom Canada revenue pool, the impacts of competition on MTS would be somewhat closer to the impacts on the other companies (the residence rate increase of 63 cents shown in Exhibit 8 would change to 86 cents).

Among the independent carriers 'edmonton telephones', the largest of the independents, shows a revenue improvement under competition. Consequently, the mean revenue changes of all the independents that were included in the study vary between positive and negative values in the various scenarios and service sectors.

Exhibit 8 indicates that the percentage of customers who are in the position of potentially benefitting financially from competition is above the 50%

EXHIBIT 8

TELECOM CANADA MEMBERS

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INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER		
Geographic Areas of Competition:	All Canada		
Rate Structure:	STATUS QUO RATES		
Contribution Charge:	7.92 cts/min	17.7% of Telco rate.	
Market Lost to Competition:	-20.0%		
		Competing rates discounted by	25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
			($)	(%)				
Nfld Tel	(9.6)	37.82	6.47	17.1%	44.29	25.86		3.53%
Island Tel	(2.2)	30.36	4.16	13.7%	34.52	16.64	61.8%	3.43%
MT&T	(25.1)	25.60	5.87	22.9%	31.47	23.48	57.9%	4.20%
NBTel	(21.2)	32.22	8.56	26.6%	40.79	34.25	56.2%	4.63%
Bell	(330.9)	35.12	5.49	15.6%	40.61	21.95	73.5%	3.15%
Manitoba Tel	(11.0)	18.19	1.85	10.2%	20.04	7.39		1.39%
SaskTel	(34.4)	17.07	6.40	37.5%	23.47	25.60		3.95%
AGT	(91.9)	22.85	8.83	38.6%	31.68	35.30	56.6%	4.83%
B.C. Tel	(90.9)	34.72	7.36	21.2%	42.08	29.42	69.6%	4.01%
Total or Mean	(617.2)	31.64	5.98	18.9%	37.62	23.93		3.48%
Unweighted Average		28.22	6.11	21.6%	34.33	24.43		3.68%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(9.6)	37.82	3.30	8.7%	41.12	13.18	
Island Tel	(2.2)	30.36	2.01	6.6%	32.37	8.04	69.4%
MT&T	(25.1)	25.60	3.10	12.1%	28.70	12.39	65.5%
NBTel	(21.2)	32.22	3.60	11.2%	35.82	14.40	73.4%
Bell	(330.9)	35.12	2.52	7.2%	37.64	10.08	82.7%
Manitoba Tel	(11.0)	18.19	0.97	5.3%	19.16	3.88	
SaskTel	(34.4)	17.07	3.45	20.2%	20.51	13.78	
AGT	(91.9)	22.85	4.87	21.3%	27.73	19.48	69.2%
B.C. Tel	(90.9)	34.72	3.41	9.8%	38.13	13.62	80.3%
Total or Mean	(617.2)	31.64	2.88	9.1%	34.52	11.51	
Unweighted Average		28.22	3.02	10.7%	31.24	12.10	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.92 cts/min 17.7% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(9.6)	11.39	1.95	17.1%	13.34	7.79		14.93
Island Tel	(2.2)	10.13	1.39	13.7%	11.52	5.55	74.7%	13.21
MT&T	(25.1)	9.89	2.27	22.9%	12.16	9.07	71.4%	15.52
NBTel	(21.2)	9.12	2.42	26.6%	11.54	9.69	65.9%	14.02
Bell	(330.9)	10.39	1.62	15.6%	12.02	6.49	71.8%	12.34
Manitoba Tel	(11.0)	6.21	0.63	10.2%	6.84	2.52		9.78
SaskTel	(34.4)	6.07	2.28	37.5%	8.34	9.10		13.89
AGT	(91.9)	8.23	3.18	38.6%	11.41	12.71	68.3%	17.37
B.C. Tel	(90.9)	10.08	2.14	21.2%	12.22	8.54	75.2%	14.27
Total or Mean	(617.2)	9.78	1.83	18.7%	11.61	7.33		12.78
Unweighted Average		9.06	1.99	21.9%	11.04	7.94		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

Nfld Tel	(9.6)	11.39	3.30	28.9%	14.68	13.18	
Island Tel	(2.2)	10.13	2.01	19.8%	12.14	8.04	70.3%
MT&T	(25.1)	9.89	3.10	31.3%	12.99	12.39	65.2%
NBTel	(21.2)	9.12	3.60	39.5%	12.72	14.40	54.6%
Bell	(330.9)	10.39	2.52	24.3%	12.91	10.08	62.9%
Manitoba Tel	(11.0)	6.21	0.97	15.6%	7.18	3.88	
SaskTel	(34.4)	6.07	3.45	56.8%	9.51	13.78	
AGT	(91.9)	8.23	4.87	59.2%	13.10	19.48	60.1%
B.C. Tel	(90.9)	10.08	3.41	33.8%	13.49	13.62	67.9%
Total or Mean	(617.2)	9.78	2.83	29.0%	12.61	11.33	
Unweighted Average		9.06	3.02	33.4%	12.08	12.10	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	7.92 cts/min	17.7% of Telco rate.
Market Lost to Competition:	-20.0%	

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(3.0)	20.30	4.02	19.8%	24.32	16.09	65.3%	3.65%
Quebec-Tel	(15.1)	20.34	7.31	35.9%	27.65	29.24		5.06%
Telebec	(5.6)	32.05	3.21	10.0%	35.26	12.85		2.81%
Northern Tel	(1.6)	23.75	2.33	9.8%	26.08	9.32		3.32%
Thunder Bay	0.7	10.93	-0.49	-4.4%	10.44	-1.94		-1.64%
'edmonton tel'	13.0	19.24	-2.19	-11.4%	17.04	-8.77		-3.64%
Prince Rupert	0.2	19.70	-1.32	-6.7%	18.37	-5.30		-4.22%
NorthwesTel	(5.3)	12.92	5.18	40.1%	18.10	20.73		4.44%
Total or Mean	(16.6)	19.54	0.30	1.5%	19.84	1.21		1.74%
Unweighted Average		19.90	2.26	11.3%	22.16	9.03		1.22%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(3.0)	20.30	1.92	9.4%	22.22	7.67	70.2%
Quebec-Tel	(15.1)	20.34	3.62	17.8%	23.96	14.50	
Telebec	(5.6)	32.05	1.46	4.5%	33.50	5.83	
Northern Tel	(1.6)	23.75	1.27	5.4%	25.03	5.10	
Thunder Bay	0.7	10.93	-0.32	-3.0%	10.60	-1.30	
'edmonton tel'	13.0	19.24	-1.46	-7.6%	17.78	-5.82	
Prince Rupert	0.2	19.70	-0.73	-3.7%	18.97	-2.92	
NorthwesTel	(5.3)	12.92	3.95	30.5%	16.86	15.78	
Total or Mean	(16.6)	19.54	-0.01	0.0%	19.53	-0.04	
Unweighted Average		19.90	1.21	6.1%	21.12	4.85	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.92 cts/min 17.7% of Telco rate.
Market Lost to Competition: -20.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(3.0)	8.14	1.61	19.8%	9.75	6.45	86.3%	15.47
Quebec-Tel	(15.1)	7.64	2.75	35.9%	10.39	10.99		16.96
Telebec	(5.6)	11.13	1.12	10.0%	12.25	4.46		11.57
Northern Tel	(1.6)	8.97	0.88	9.8%	9.85	3.52		12.09
Thunder Bay	0.7	4.63	-0.21	-4.4%	4.43	-0.82		5.93
'edmonton tel'	13.0	6.94	-0.79	-11.4%	6.15	-3.16		3.35
Prince Rupert	0.2	8.52	-0.57	-6.7%	7.94	-2.29		4.90
NorthwesTel	(5.3)	6.46	2.59	40.1%	9.05	10.36		17.60
Total or Mean	(16.6)	7.97	0.91	11.4%	8.88	3.65		10.05
Unweighted Average		7.80	0.92	11.8%	8.73	3.69		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(3.0)	8.14	1.92	23.5%	10.06	7.67	85.0%
Quebec-Tel	(15.1)	7.64	3.62	47.4%	11.27	14.50	
Telebec	(5.6)	11.13	1.46	13.1%	12.59	5.83	
Northern Tel	(1.6)	8.97	1.27	14.2%	10.25	5.10	
Thunder Bay	0.7	4.63	-0.32	-7.0%	4.31	-1.30	
'edmonton tel'	13.0	6.94	-1.46	-21.0%	5.48	-5.82	
Prince Rupert	0.2	8.52	-0.73	-8.6%	7.79	-2.92	
NorthwesTel	(5.3)	6.46	3.95	61.1%	10.41	15.78	
Total or Mean	(16.6)	7.97	1.07	13.4%	9.03	4.27	
Unweighted Average		7.80	1.21	15.6%	9.02	4.85	

mark in all jurisdictions for which the required billing information was available.

The Exhibit also shows that the cost reductions (labelled "productivity improvements") that would offset the negative impacts of competition are in the range of 1.4 to 4.8 percent for the major companies and up to 5.1 percent for the independents.

If the competitor were to fully compensate the telephone companies for their financial losses his average contribution charge would have to rise from 7.92 cents per minute to 12.78 cents per minute for the majors and to 10.05 cents for the independents, as shown in the right-most column of the tables.

Similar simulations were performed for competitor price discounts of 0% and 10% (in addition to the 25% discount) and for a market penetration of 10% (in addition to 20%). The results of these simulations are summarized in Exhibits 9A and 9B. A graphical presentation of the rate increases is provided in Appendix C.

Exhibits 9A and 9B indicate that assuming equal percentage distribution of rate increases no residential rate would increase by more than $3.18 as the result of competition. The maximum business rate increase would be $8.83.

Generally, local rate increases are higher when the competitor's market penetration is greater. Rate increases are also higher when the competitor's rate discount is deeper.

It is interesting to note that in the case of absolutely no contribution payments the competitor could apply discounts in the order of two-thirds (65%) to the Telcos' rates. This scenario would result in much higher local rate increases than shown in Exhibits 9A and 9B. With a 20 percent Telco market loss it would result in local residential rate increases in the $3.00 to $6.50 range and business rate increases in the $8.70 to $18.30 range for the major companies. For the independents the increases would be in the $0.60 to $5.80 range for residence subscribers and in the $1.60 to $12.60 for business subscribers.

This scenario was not considered practical, and, therefore, it was not included in the Exhibits.

Exhibits 10A and 10B show the percentage of access lines that have sufficient toll usage to find competition at the particular level financially attractive. A more detailed breakdown of the savings or penalties accruing to various subscriber groups is provided in Part IV of the report.

In the case of residence subscribers the number of access lines is broadly equal to the number of customers. In the case of business subscribers larger customers have more than one access line. Consequently, the percentage of customers in the high-usage group is somewhat lower than the percentage of lines.

As noted earlier, a key or PBX trunk was counted as more than one access line, in proportion to the rate charged for such a trunk vis a vis the single line rate.

Exhibits 10A and 10B show that the percentage of customers who could potentially benefit from the lower rates offered by a competing carrier practically always exceeds 40 percent and often comes close to the maximum percentage of subscribers who make long distance calls at all. That percentage varies from 82 to 89 percent for residence customers and from 75 to 94 percent for business customers in the various jurisdictions. Of course, considering the market penetration scenarios examined in the study, only a fraction of the subscribers who would benefit from competition would actually take advantage of competition after its introduction, and actually switch to the competitor. Only those who switch would actually benefit while all the other subscribers would experience higher telephone bills.

It is most surprising that the percentage of residence access lines (broadly equal to customers) who could potentially benefit from the rate discounts of a competitor is not much different from the percentage of business access lines that could benefit. There are two reasons for this. First, local business rates are higher and, therefore, the "breakeven" toll bill, i.e., the toll usage required for benefiting from the competitor's rate discount, is higher. Secondly, there are many types of businesses, such as local stores, restaurants or service companies that may have little need for long distance calls. Even some very large customers, such as local taxi companies, may rarely make long distance calls in relation to the large local traffic they handle.

Rebalanced Rates

Exhibits 11A and 11B show the local rate increases that would occur as the result of rate rebalancing with no competition. The process results in a reduction in long distance rates and an increase in local rates.

As noted earlier, the rebalanced Base Case was defined as having intracompany toll rates reduced by 20 percent, TransCanada intercompany rates (including adjacent company rates) reduced by 50 percent and Extra-Canada (Canada-U.S. and Canada-Overseas) rates reduced by 25 percent.

Exhibit 11A shows the case in which only Bell and B.C.Tel rebalance their intracompany and Extra-Canada rates. In addition, Telecom Canada rebalances all TransCanada rates, including adjacent company rates. Exhibit 11A shows that the local rate increases are highest for those two companies that have actually implemented the rebalancing. However, due to the rebalancing of TransCanada and Adjacent Company rates all carriers will experience financial losses and, must, therefore increase their local rates, some almost as much as Bell or B.C.Tel.

Exhibit 11B shows the impacts of rate rebalancing on the carriers when the measure is applied across Canada. It is most interesting to observe that

EXHIBIT 9A

LOCAL RATE INCREASES ($/MONTH)

1995
(Equal Percentage Increases)

A. COMPETITION IN BELL/B.C.TEL TERRITORY
B. COMPETITION IN TELECOM CANADA TERRITORY

STATUS QUO RATES

Competitor's Rate Discount:	Residence			Business		
	0%	**10%**	**25%**	**0%**	**10%**	**25%**
A. COMPETITION IN BELL/B.C.TEL TERRITORY						
Telcos' Market Loss - 10 Percent						
Bell	0.18	0.35	0.64	0.62	1.19	2.15
B.C.Tel	0.34	0.51	0.80	1.17	1.75	2.75
Other Telcos	0.35-0.67	0.35-0.67	0.35-0.67	1.10-1.85	1.10-1.85	1.10-1.85
Telcos' Market Loss - 20 Percent						
Bell	0.11	0.44	1.03	0.37	1.50	3.46
B.C.Tel	0.42	0.76	1.35	1.46	2.63	4.55
Other Telcos	0.68-1.31	0.68-1.31	0.68-1.31	2.16-3.65	2.16-3.65	2.16-3.65
B. COMPETITION IN TELECOM CANADA MEMBERS' TERRITORY						
Telcos' Market Loss - 10 Percent						
Mean	0.57	0.75	1.08	1.87	2.46	3.51
Range	0.02-1.17	0.18-1.38	0.44-1.76	0.07-3.24	0.51-3.84	1.29-4.88
Telcos' Market Loss - 20 Percent						
Mean	0.84	1.22	1.85	2.75	3.98	6.03
Range	(0.19)-2.00	0.12-2.44	0.65-3.17	(0.56)-5.55	0.37-6.78	1.89-8.81

EXHIBIT 9B

LOCAL RATE INCREASES ($/MONTH)

1995
(Equal Percentage Increases)

C. ALL-CANADA COMPETITION

STATUS QUO RATES

Competitor's Rate Discount:	Residence			Business		
	0%	10%	25%	0%	10%	25%
TELECOM CANADA MEMBERS						
Telcos' Market Loss - 10 Percent						
Mean	0.54	0.72	1.05	1.78	2.37	3.42
Range	0.00 - 1.14	0.15 - 1.36	0.42 - 1.74	(0.01)- 3.18	0.44 - 3.77	1.22 - 4.82
Telcos' Market Loss - 20 Percent						
Mean	0.84	1.20	1.83	2.75	3.93	5.98
Range	(0.19)- 2.02	0.11 - 2.44	0.63 - 3.18	(0.57)- 5.61	0.32 - 6.78	1.85 - 8.83
INDEPENDENTS						
Telcos' Market Loss - 10 Percent						
Mean	0.19	0.32	0.54	(0.55)	(0.22)	0.36
Highest	1.11	1.24	1.46	2.95	3.29	3.89
Telcos' Market Loss - 20 Percent						
Mean	0.23	0.48	0.91	(1.49)	(0.83)	0.30
Highest	2.05	2.31	2.75	5.47	6.14	7.31

EXHIBIT 10A

PERCENT OF ACCESS LINES WITH TOLL USAGE EXCEEDING BREAKEVEN BILLING

1995
(Equal Percentage Increases)

A. COMPETITION IN BELL/B.C.TEL TERRITORY
B. COMPETITION IN TELECOM CANADA TERRITORY

STATUS QUO RATES

	Residence		Business	
Competitor's Rate Discount:	10%	25%	10%	25%
A. COMPETITION IN BELL/B.C.TEL TERRITORY				
Telcos' Market Loss - 10 Percent				
Bell	78	80	81	84
B.C.Tel	80	82	77	82
Telcos' Market Loss - 20 Percent				
Bell	76	77	79	80
B.C.Tel	76	79	72	76
B. COMPETITION IN TELECOM CANADA MEMBERS' TERRITORY				
Telcos' Market Loss - 10 Percent				
Range	64-75	76-80	54-73	65-80
Telcos' Market Loss - 20 Percent				
Range	47-69	66-75	41-66	56-73

EXHIBIT 10B

PERCENT OF ACCESS LINES WITH TOLL USAGE EXCEEDING BREAKEVEN BILLING

1995
(Equal Percentage Increases)

C. ALL-CANADA COMPETITION

STATUS QUO RATES

	Residence		Business	
Competitor's Rate Discount:	10%	25%	10%	25%
TELECOM CANADA MEMBERS				
Telcos' Market Loss - 10 Percent				
Range	65-75	76-80	55-74	65-78
Telcos' Market Loss - 20 Percent				
Range	47-69	66-75	41-66	56-70
INDEPENDENTS				
Telcos' Market Loss - 10 Percent				
Terra Nova	87-	89-	67-	70-
Telcos' Market Loss - 20 Percent				
Terra Nova	82-	86-	60-	65-

EXHIBIT 11A

IMPACTS OF RATE REBALANCING

1995
Intracompany: 20%
Intercompany: 50%
Extra-Canada: 25%

No Competition

A. IN BELL/B.C.TEL TERRITORY ONLY

	Local Rate Increase ($/Month) (Equal Percentage Increase)		Percentage of Access Lines with Toll Usages Exceeding Breakeven Billing	
	Residence	Business	Residence	Business
Newfoundland Tel.	3.88	12.89		
Island Tel	4.21	12.62	65	51
Maritime T&T	5.44	14.09	55	47
NBTel	6.20	21.92	41	37
Bell	4.87	16.45	42	52
Manitoba TS	4.17	12.21		
Sask Tel	5.55	15.60		
AGT	7.11	19.74	52	37
B.C.Tel	6.78	23.35	58	51
Terra Nova	2.56	6.39	74	52
Quebec Tel	4.80	12.79		
Telebec	3.24	9.33		
Northern Teleph.	1.95	5.17		
Thunder Bay T.	0.51	1.21		
'et'	0.22	0.62		
Prince Rupert T.	0.41	0.95		
NorthwesTel	5.54	11.08		

EXHIBIT 11B

IMPACTS OF RATE REBALANCING

1995
Intracompany: 20%
Intercompany: 50%
Extra-Canada: 25%

No Competition

C. IN ALL CANADA

	Local Rate Increase ($/Month) (Equal Percentage Increase)		Percentage of Access Lines with Toll Usages Exceeding Breakeven Billing	
	Residence	Business	Residence	Business
Newfoundland Tel.	6.51	21.62		
Island Tel	5.25	15.74	63	49
Maritime T&T	7.33	18.98	52	46
NBTel	7.82	27.62	41	37
Bell	4.97	16.78	41	52
Manitoba TS	5.51	16.15		
Sask Tel	8.01	22.54		
AGT	10.23	28.42	50	36
B.C.Tel	6.95	23.93	57	51
Terra Nova	5.14	12.83	71	62
Quebec Tel	4.57	12.17		
Telebec	3.61	10.37		
Northern Teleph.	2.53	6.70		
Thunder Bay T.	0.50	1.18		
'et'	0.02	1.26		
Prince Rupert T.	0.41	0.95		
NorthwesTel	8.33	16.66		

while all major carriers would have to increase their local rates as the result of toll rate reductions, some independents might not have to follow suit to the same extent as their major carrier "neighbours".

Exhibit 11B shows that when rates are rebalanced across Canada the percentage of access lines that would generate a lower total telephone bill after rebalancing than before varies from 37 to 71 percent in the jursidictions for which data were available. In all cases, except for Bell, the percentage of residence customers who would gain net benefits from rate rebalancing is somewhat greater than the corresponding percentage of business subscribers.

With respect to independent companies, a scenario in which a major carrier rebalanced its rates but an independent carrier who had significant interconnection with the major carrier did not, was not considered to be practical. The assumption that rebalancing will be jointly carried out by the major carriers and the independents associated with them is reflected in the results shown for the independent carriers in the last portion of Exhibit 11B.

Exhibits 12 and 13 show the results of a simulation of competition under rebalanced rates for a 25% price discount and 20% market penetration for competition in Bell - B.C. Tel territory and nationwide. Exhibits 14A and 14B summarize the results of the tests carried out for the other scenarios.

All the local rate increases shown in the Exhibits are those caused by competition after the rate increases caused by rebalancing (shown in Exhibits 11A and 11B) have already been implemented. The figures shown in the Exhibits are therefore incremental to the rate increases that had originally resulted from the rate rebalancing process.

Exhibits 15A and 15B show the percentage of customers benefitting from competition once rates had been rebalanced.

The results are not much different from those presented for the scenarios with status quo rates. Even though under lower rates the competitor can no longer afford to pay the relatively high contribution charges paid under the status quo rate scenarios and, therefore, the Telcos' revenues from that source will be lower, the negative financial impacts of toll traffic lost by the telephone companies will also be lower. This is because under rebalanced rates the contribution to common costs provided by the Telcos' own toll sector is significantly lower per unit of traffic than in the status quo rate case.

As shown in the Exhibits, the impacts of competition on local rates are not worse under rebalanced rates than under status quo rates, in spite of the lower contribution charges. Thus, pre-emptive toll rate reduction is an issue that is independent of competition. As long as the rebalanced toll rates remain significantly higher than the costs of providing the service, competitors can always apply discounts to the telephone companies' rates. The only change from status quo rates will be the lower level of contribution payments by the competitors. Thus, rate rebalancing would not be a deterrent to competition: it would only reduce its potential scale.

Rate rebalancing might nevertheless have some impact on competition. Under rebalanced rates the competitor will have to discount his rates from a lower base and the discounts themselves will also be smaller in absolute terms. Consequently, the competitor may find it more difficult to penetrate the market under rebalanced rates than under status quo rates. Our study did not explicitly address this issue, since it dealt with 10 percent and 20 percent market penetration in all the scenarios and did not address the probability of these scenarios. Nonetheless, it is logical to assume that the probability of a competitor achieving the 20 percent market penetration will be lower under rebalanced rates than under status quo rates.

A comparison of Exhibit 9 with 14 proves that as the result of competition the customers will not experience much difference in rate increases, whether rates were initially rebalanced or not. Of course, independently from competition, the local rates will be higher after rebalancing than before. But once increased through rebalancing, the additional impacts of competition will be largely similar in each case.

Exhibits 16A and 16B summarize the current (December 31, 1987) rates, those in 1995 with no competition, and those under competition with and without rate rebalancing by the Telcos.

RESELLER COMPETITION

As described in Part I of the Report a reseller differs from the facility based carrier in one major aspect: a reseller normally does not own any transmission facilities but leases them from the same telephone company with which he competes.

With the assumptions described in Part I all the simulations carried out for the Facility Based Carrier were repeated for:

- resellers
- a mix of a Facility Based Carrier and resellers, with the former representing 75% of the competing traffic volume and the resellers 25%.

Exhibit 17 shows the simulation results for all-Canada competition under Status Quo rates.

The impacts on local rates for other all-Canada scenarios with Status Quo rates are compared in Exhibit 18 with the Facility Based Carrier's case. The Exhibit shows that the rate increases are higher in the resellers' case than in the case of a competing Facility Based Carrier: the ratio is generally in the order of 2:1 for the majors. Because of the positive financial impact of competition on some of the independents the relation

EXHIBIT 12

TELECOM CANADA MEMBERS

13 of R(B)

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 3.65 cts/min 11.3% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.7)	50.71	2.47	4.9%	53.18	NA	NA	1.23%
Island Tel	(1.2)	42.98	2.14	5.0%	45.12	NA	NA	1.59%
MT&T	(9.1)	39.69	2.13	5.4%	41.82	NA	NA	1.38%
NBTel	(6.5)	54.14	2.61	4.8%	56.76	NA	NA	1.30%
Bell	(245.5)	51.57	4.07	7.9%	55.64	16.28	77.6%	2.24%
Manitoba Tel	(10.5)	30.40	1.77	5.8%	32.17	NA	NA	1.21%
SaskTel	(12.6)	32.67	2.34	7.2%	35.01	NA	NA	1.32%
AGT	(32.1)	42.59	3.08	7.2%	45.68	NA	NA	1.53%
B.C. Tel	(82.0)	58.08	6.64	11.4%	64.72	26.55	71.3%	3.40%
Total or Mean	(403.1)	48.96	3.95	8.1%	52.92	15.82		2.15%
Unweighted Average		44.76	3.03	6.8%	47.79	12.11		1.69%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(3.7)	50.71	1.26	2.5%	51.97	NA	NA
Island Tel	(1.2)	42.98	1.03	2.4%	44.02	NA	NA
MT&T	(9.1)	39.69	1.12	2.8%	40.82	NA	NA
NBTel	(6.5)	54.14	1.10	2.0%	55.24	NA	NA
Bell	(245.5)	51.57	1.87	3.6%	53.44	7.48	85.0%
Manitoba Tel	(10.5)	30.40	0.93	3.1%	31.33	NA	NA
SaskTel	(12.6)	32.67	1.26	3.9%	33.93	NA	NA
AGT	(32.1)	42.59	1.70	4.0%	44.30	NA	NA
B.C. Tel	(82.0)	58.08	3.07	5.3%	61.15	12.29	81.3%
Total or Mean	(403.1)	48.96	1.87	3.8%	50.83	7.48	
Unweighted Average		44.76	1.48	3.3%	46.24	5.93	

TELECOM CANADA MEMBERS

14 of R(B)

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 3.65 cts/min 11.3% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.7)	15.27	0.74	4.9%	16.01	NA	NA	NA
Island Tel	(1.2)	14.34	0.71	5.0%	15.06	NA	NA	NA
MT&T	(9.1)	15.33	0.82	5.4%	16.15	NA	NA	NA
NBTel	(6.5)	15.32	0.74	4.8%	16.06	NA	NA	NA
Bell	(245.5)	15.26	1.20	7.9%	16.46	4.82	75.7%	6.75
Manitoba Tel	(10.5)	10.37	0.60	5.8%	10.98	NA	NA	NA
SaskTel	(12.6)	11.62	0.83	7.2%	12.45	NA	NA	NA
AGT	(32.1)	15.33	1.11	7.2%	16.44	NA	NA	NA
B.C. Tel	(82.0)	16.86	1.93	11.4%	18.79	7.71	76.4%	11.06
Total or Mean	(403.1)	15.09	1.21	8.0%	16.30	4.85		7.97
Unweighted Average		14.41	0.97	6.7%	15.38	3.87		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

Nfld Tel	(3.7)	15.27	1.26	8.3%	16.53	NA	NA
Island Tel	(1.2)	14.34	1.03	7.2%	15.38	NA	NA
MT&T	(9.1)	15.33	1.12	7.3%	16.46	NA	NA
NBTel	(6.5)	15.32	1.10	7.2%	16.42	NA	NA
Bell	(245.5)	15.26	1.87	12.3%	17.13	7.48	69.4%
Manitoba Tel	(10.5)	10.37	0.93	9.0%	11.30	NA	NA
SaskTel	(12.6)	11.62	1.26	10.8%	12.88	NA	NA
AGT	(32.1)	15.33	1.70	11.1%	17.04	NA	NA
B.C. Tel	(82.0)	16.86	3.07	18.2%	19.94	12.29	69.8%
Total or Mean	(403.1)	15.09	1.88	12.5%	16.97	7.53	
Unweighted Average		14.41	1.48	10.3%	15.90	5.93	

EXHIBIT 13

TELECOM CANADA MEMBERS

25 of R(A)

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 3.70 cts/min 11.5% of Telco rate.
Market Lost to Competition: -20.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(9.7)	59.44	6.53	11.0%	65.98	26.14		3.37%
Island Tel	(2.2)	46.10	4.12	8.9%	50.22	16.48	62.0%	3.18%
MT&T	(22.9)	44.58	5.37	12.0%	49.95	21.47	59.1%	3.60%
NBTel	(18.6)	59.85	7.52	12.6%	67.36	30.07	59.1%	3.85%
Bell	(360.2)	51.91	5.97	11.5%	57.88	23.89	72.2%	3.30%
Manitoba Tel	(11.7)	34.34	1.97	5.8%	36.31	7.90		1.40%
SaskTel	(31.8)	39.61	5.92	14.9%	45.52	23.68		3.45%
AGT	(79.1)	51.28	7.60	14.8%	58.88	30.40	60.1%	3.91%
B.C. Tel	(91.5)	58.65	7.40	12.6%	66.06	29.62	69.5%	3.84%
Total or Mean	(627.8)	51.11	6.10	11.9%	57.21	24.41		3.39%
Unweighted Average		49.53	5.82	11.8%	55.35	23.29		3.32%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(9.7)	59.44	3.33	5.6%	62.78	13.32	
Island Tel	(2.2)	46.10	1.99	4.3%	48.09	7.96	69.5%
MT&T	(22.9)	44.58	2.83	6.4%	47.41	11.33	66.4%
NBTel	(18.6)	59.85	3.16	5.3%	63.01	12.64	75.4%
Bell	(360.2)	51.91	2.74	5.3%	54.65	10.98	81.9%
Manitoba Tel	(11.7)	34.34	1.04	3.0%	35.38	4.15	
SaskTel	(31.8)	39.61	3.19	8.0%	42.79	12.75	
AGT	(79.1)	51.28	4.19	8.2%	55.47	16.78	71.8%
B.C. Tel	(91.5)	58.65	3.43	5.8%	62.08	13.71	80.2%
Total or Mean	(627.8)	51.11	2.92	5.7%	54.03	11.68	
Unweighted Average		49.53	2.88	5.8%	52.41	11.51	

TELECOM CANADA MEMBERS

26 of R(A)

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 3.70 cts/min 11.5% of Telco rate.
Market Lost to Competition: -20.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(9.7)	17.90	1.97	11.0%	19.87	7.87		8.99
Island Tel	(2.2)	15.38	1.37	8.9%	16.76	5.50	74.7%	7.28
MT&T	(22.9)	17.22	2.07	12.0%	19.29	8.29	72.8%	8.66
NBTel	(18.6)	16.94	2.13	12.6%	19.06	8.51	69.1%	7.60
Bell	(360.2)	15.36	1.77	11.5%	17.12	7.07	70.4%	7.70
Manitoba Tel	(11.7)	11.72	0.67	5.8%	12.39	2.69		5.18
SaskTel	(31.8)	14.08	2.10	14.9%	16.19	8.42		7.86
AGT	(79.1)	18.46	2.74	14.8%	21.20	10.95	70.6%	9.78
B.C. Tel	(91.5)	17.03	2.15	12.6%	19.18	8.60	75.2%	8.56
Total or Mean	(627.8)	15.72	1.87	11.9%	17.59	7.49		7.65
Unweighted Average		16.01	1.89	11.8%	17.90	7.54		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(9.7)	17.90	3.33	18.6%	21.23	13.32	
Island Tel	(2.2)	15.38	1.99	12.9%	17.37	7.96	70.5%
MT&T	(22.9)	17.22	2.83	16.4%	20.05	11.33	67.2%
NBTel	(18.6)	16.94	3.16	18.7%	20.10	12.64	58.6%
Bell	(360.2)	15.36	2.74	17.9%	18.10	10.98	60.7%
Manitoba Tel	(11.7)	11.72	1.04	8.9%	12.75	4.15	
SaskTel	(31.8)	14.08	3.19	22.6%	17.27	12.75	
AGT	(79.1)	18.46	4.19	22.7%	22.66	16.78	63.2%
B.C. Tel	(91.5)	17.03	3.43	20.1%	20.46	13.71	67.8%
Total or Mean	(627.8)	15.72	2.90	18.4%	18.62	11.59	
Unweighted Average		16.01	2.88	18.0%	18.89	11.51	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 3.70 cts/min 11.5% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
			($)	(%)				
Terra Nova Tel	(3.2)	33.13	4.36	13.2%	37.49	17.45	63.6%	3.74%
Quebec-Tel	(14.8)	32.51	7.20	22.2%	39.71	28.81		4.81%
Telebec	(6.1)	42.42	3.50	8.3%	45.93	14.02		2.95%
Northern Tel	(2.2)	30.45	3.13	10.3%	33.58	12.52		4.42%
Thunder Bay	(0.2)	12.11	0.13	1.1%	12.23	0.51		0.43%
'edmonton tel'	1.2	20.51	-0.21	-1.0%	20.30	-0.84		-0.34%
Prince Rupert	0.0	20.65	-0.22	-1.1%	20.43	-0.88		-0.70%
NorthwesTel	(4.9)	29.58	4.75	16.1%	34.33	19.01		3.82%
Total or Mean	(30.1)	24.19	1.57	6.5%	25.76	6.27		3.07%
Unweighted Average		27.67	2.83	10.2%	30.50	11.33		2.39%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(3.2)	33.13	2.08	6.3%	35.21	8.31	69.3%	
Quebec-Tel	(14.8)	32.51	3.57	11.0%	36.08	14.28		
Telebec	(6.1)	42.42	1.59	3.8%	44.01	6.36		
Northern Tel	(2.2)	30.45	1.71	5.6%	32.16	6.84		
Thunder Bay	(0.2)	12.11	0.09	0.7%	12.19	0.34		
'edmonton tel'	1.2	20.51	-0.14	-0.7%	20.38	-0.55		
Prince Rupert	0.0	20.65	-0.12	-0.6%	20.53	-0.48		
NorthwesTel	(4.9)	29.58	3.62	12.2%	33.19	14.47		
Total or Mean	(30.1)	24.19	0.82	3.4%	25.01	3.29		
Unweighted Average		27.67	1.55	5.6%	29.22	6.20		

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 3.70 cts/min 11.5% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates
discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(3.2)	13.28	1.75	13.2%	15.03	7.00	84.9%	10.38
Quebec-Tel	(14.8)	12.21	2.71	22.2%	14.92	10.83		11.33
Telebec	(6.1)	14.74	1.22	8.3%	15.96	4.87		7.13
Northern Tel	(2.2)	11.50	1.18	10.3%	12.69	4.73		8.50
Thunder Bay	(0.2)	5.13	0.05	1.1%	5.19	0.22		4.12
'edmonton tel'	1.2	6.96	-0.07	-1.0%	6.89	-0.29		3.39
Prince Rupert	0.0	8.93	-0.09	-1.1%	8.83	-0.38		3.26
NorthwesTel	(4.9)	14.79	2.38	16.1%	17.16	9.50		10.71
Total or Mean	(30.1)	10.62	1.20	11.3%	11.81	4.79		6.75
Unweighted Average		10.94	1.14	10.4%	12.08	4.56		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(3.2)	13.28	2.08	15.6%	15.36	8.31	83.2%
Quebec-Tel	(14.8)	12.21	3.57	29.2%	15.78	14.28	
Telebec	(6.1)	14.74	1.59	10.8%	16.33	6.36	
Northern Tel	(2.2)	11.50	1.71	14.9%	13.21	6.84	
Thunder Bay	(0.2)	5.13	0.09	1.7%	5.22	0.34	
'edmonton tel'	1.2	6.96	-0.14	-2.0%	6.82	-0.55	
Prince Rupert	0.0	8.93	-0.12	-1.4%	8.81	-0.48	
NorthwesTel	(4.9)	14.79	3.62	24.5%	18.41	14.47	
Total or Mean	(30.1)	10.62	1.57	14.8%	12.19	6.28	
Unweighted Average		10.94	1.55	14.2%	12.49	6.20	

EXHIBIT 14A

LOCAL RATE INCREASES ($/MONTH)

1995
(Equal Percentage Increases)

A. COMPETITION IN BELL/B.C.TEL TERRITORY
B. COMPETITION IN TELECOM CANADA TERRITORY

REBALANCED RATES

Competitor's Rate Discount:	Residence			Business		
	0%	10%	25%	0%	10%	25%
A. COMPETITION IN BELL/B.C.TEL TERRITORY						
Telcos' Market Loss - 10 Percent						
Bell	0.28	0.44	0.73	0.96	1.50	2.46
B.C.Tel	0.71	0.83	1.04	2.46	2.86	3.58
Other Telcos	0.30-0.56	0.30-0.56	0.30-0.56	0.89-1.55	0.89-1.55	0.89-1.55
Telcos' Market Loss - 20 Percent						
Bell	0.32	0.64	1.20	1.08	2.16	4.07
B.C.Tel	1.31	1.53	1.93	4.50	5.27	6.64
Other Telcos	0.60-1.11	0.60-1.11	0.60-1.11	1.77-3.08	1.77-3.08	1.77-3.08
B. COMPETITION IN TELECOM CANADA MEMBERS' TERRITORY						
Telcos' Market Loss - 10 Percent						
Mean	0.60	0.79	1.12	1.94	2.56	3.65
Range	0.06-0.97	0.21-1.18	(0.48)-1.57	0.17-2.68	0.62-3.29	1.41-4.39
Telcos' Market Loss - 20 Percent						
Mean	0.87	1.26	1.91	2.85	4.09	6.23
Range	(0.12)-1.57	(0.18)-2.01	0.71-2.76	(0.37)-4.37	0.53-5.59	2.07-7.67

EXHIBIT 14B

LOCAL RATE INCREASES ($/MONTH)

1995
(Equal Percentage Increases)

C. ALL-CANADA COMPETITION

REBALANCED RATES

Competitor's Rate Discount:	Residence			Business		
	0%	10%	25%	0%	10%	25%
TELECOM CANADA MEMBERS						
Telcos' Market Loss - 10 Percent						
Mean	0.55	0.74	1.07	1.80	2.43	3.50
Range	0.03-0.93	0.18-1.15	0.44-1.52	0.07-2.85	0.52-3.19	1.30-4.23
Telcos' Market Loss - 20 Percent						
Mean	0.84	1.20	1.87	2.73	3.92	6.10
Range	(0.15)-1.56	0.14-1.97	0.67-2.74	(0.45)-4.32	0.41-5.48	1.97-7.60
INDEPENDENTS						
Telcos' Market Loss - 10 Percent						
Mean	0.33	0.46	0.69	0.06	0.41	1.01
Highest	1.07	1.21	1.45	2.85	3.22	3.86
Telcos' Market Loss - 20 Percent						
Mean	0.49	0.74	1.20	(0.31)	0.35	1.57
Highest	1.95	2.22	2.71	5.19	5.90	7.20

EXHIBIT 15A

PERCENT OF ACCESS LINES WITH TOLL USAGE EXCEEDING BREAKEVEN BILLING

1995
(Equal Percentage Increases)

A. COMPETITION IN BELL/B.C.TEL TERRITORY
B. COMPETITION IN TELECOM CANADA TERRITORY

REBALANCED RATES

	Residence		Business	
Competitor's Rate Discount:	10%	25%	10%	25%
A. COMPETITION IN BELL/B.C.TEL TERRITORY				
Telcos' Market Loss - 10 Percent				
Bell	77	79	79	83
B.C.Tel	76	81	70	80
Telcos' Market Loss - 20 Percent				
Bell	72	76	74	78
B.C.Tel	66	76	58	71
B. COMPETITION IN TELECOM CANADA MEMBERS' TERRITORY				
Telcos' Market Loss - 10 Percent				
Range	67-75	77-79	57-71	65-79
Telcos' Market Loss - 20 Percent				
Range	52-69	69-75	45-63	59-72

EXHIBIT 15B

PERCENT OF ACCESS LINES WITH TOLL USAGE EXCEEDING BREAKEVEN BILLING

1995
(Equal Percentage Increases)

C. ALL-CANADA COMPETITION

REBALANCED RATES

	Residence		Business	
Competitor's Rate Discount:	10%	25%	10%	25%
TELECOM CANADA MEMBERS				
Telcos' Market Loss - 10 Percent				
Range	68-75	77-80	58-72	70-80
Telcos' Market Loss - 20 Percent				
Range	53-70	69-75	46-64	59-72
INDEPENDENTS				
Telcos' Market Loss - 10 Percent				
Terra Nova	86	89	65	69
Telcos' Market Loss - 20 Percent				
Terra Nova	80	85	58	64

EXHIBIT 16A

SUMMARY OF AVERAGE LOCAL RATES

- BUSINESS -

	Dec. 31, 1987	1995 Base	1995 Rebalanced	20% Telco Market Loss 25% Competitor Discount	
				Status Quo Rates	Rebalanced Rates
Newfoundland Tel.	34.77	37.82	59.44	44.29	65.98
Island Tel	28.62	30.36	46.10	34.52	50.22
Maritime T&T	27.08	25.60	44.58	31.47	49.95
NBTel	33.32	32.22	59.85	40.79	67.36
Bell	31.50	35.12	51.91	40.61	57.88
Manitoba TS	19.55	18.19	34.34	20.04	36.31
Sask Tel	18.88	17.07	39.61	23.47	45.52
AGT	21.61	22.85	51.28	31.68	58.88
B.C.Tel	34.67	34.72	58.65	42.08	66.06
Terra Nova	19.70	20.30	33.13	24.32	37.49
Quebec Tel	19.35	20.34	32.51	27.65	39.71
Telebec	26.45	32.05	42.42	35.26	45.93
Northern Teleph.	27.00	23.75	30.45	26.08	33.58
Thunder Bay T.	11.20	10.93	12.11	10.44	12.23
'et'	23.16	19.24	20.51	17.04	20.30
Prince Rupert T.	16.77	19.70	20.65	18.37	20.43
NorthwesTel	14.00	12.92	29.58	18.10	34.33

EXHIBIT 16B

SUMMARY OF AVERAGE LOCAL RATES

- RESICENCE -

	Dec. 31, 1987	1995 Base	1995 Rebalanced	20% Telco Market Loss 25% Competitor Discount	
				Status Quo Rates	Rebalanced Rates
Newfoundland Tel.	10.47	11.39	17.90	13.34	19.87
Island Tel	9.55	10.13	15.38	11.52	16.76
Maritime T&T	10.46	9.89	17.22	12.16	19.29
NBTel	9.43	9.12	16.94	11.54	19.06
Bell	9.32	10.39	15.36	12.01	17.12
Manitoba TS	6.67	6.21	11.72	6.84	12.39
Sask Tel	6.71	6.07	14.08	8.34	16.19
AGT	7.78	8.23	18.46	11.40	21.20
B.C.Tel	10.07	10.08	17.03	12.22	19.18
Terra Nova	7.90	8.14	13.28	9.75	15.03
Quebec Tel	7.27	7.64	12.21	10.39	14.92
Telebec	10.04	11.13	14.74	12.25	15.96
Northern Teleph.	10.20	8.97	11.50	9.85	12.69
Thunder Bay T.	4.75	4.63	5.13	4.43	5.19
'et'	8.35	6.94	6.96	6.15	6.89
Prince Rupert T.	7.25	8.52	8.93	7.94	8.63
NorthwesTel	7.00	6.46	14.79	9.05	17.16

EXHIBIT 17

TELECOM CANADA MEMBERS

25 of S(A)

INPUTS:

Competitive MTS/WATS Providers:	RESELLER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	2.75 cts/min	6.1% of Telco rate.
Market Lost to Competition:	-20.0%	
		Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(18.5)	37.82	12.42	32.8%	50.24	49.66		6.78%
Island Tel	(4.6)	30.36	8.64	28.5%	39.01	34.57	51.0%	7.12%
MT&T	(45.5)	25.60	10.64	41.5%	36.24	42.55	48.8%	7.60%
NBTel	(36.9)	32.22	14.92	46.3%	47.14	59.67	43.3%	8.06%
Bell	(695.7)	35.12	11.54	32.8%	46.66	46.15	60.0%	6.62%
Manitoba Tel	(37.6)	18.19	6.34	34.8%	24.53	25.35		4.78%
SaskTel	(63.1)	17.07	11.75	68.9%	28.82	47.01		7.26%
AGT	(154.2)	22.85	14.81	64.8%	37.67	59.25	43.8%	8.12%
B.C. Tel	(179.4)	34.72	14.52	41.8%	49.24	58.07	56.1%	7.91%
Total or Mean	(1,235.6)	31.64	12.00	37.9%	43.64	48.01		6.97%
Unweighted Average		28.22	11.73	41.6%	39.95	46.92		7.14%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(18.5)	37.82	6.33	16.7%	44.15	25.31	
Island Tel	(4.6)	30.36	4.18	13.8%	34.54	16.70	61.8%
MT&T	(45.5)	25.60	5.61	21.9%	31.21	22.45	58.5%
NBTel	(36.9)	32.22	6.27	19.5%	38.50	25.09	63.0%
Bell	(695.7)	35.12	5.30	15.1%	40.42	21.20	74.1%
Manitoba Tel	(37.6)	18.19	3.33	18.3%	21.52	13.31	
SaskTel	(63.1)	17.07	6.33	37.1%	23.40	25.31	
AGT	(154.2)	22.85	8.18	35.8%	31.03	32.70	58.4%
B.C. Tel	(179.4)	34.72	6.72	19.4%	41.45	26.88	71.1%
Total or Mean	(1,235.6)	31.64	5.75	18.2%	37.39	23.00	
Unweighted Average		28.22	5.80	20.6%	34.02	23.22	

TELECOM CANADA MEMBERS

26 of S(A)

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 2.75 cts/min 6.1% of Telco rate.
Market Lost to Competition: -20.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(18.5)	11.39	3.74	32.8%	15.13	14.95		16.20
Island Tel	(4.6)	10.13	2.88	28.5%	13.02	11.54	64.7%	13.74
MT&T	(45.5)	9.89	4.11	41.5%	14.00	16.43	57.9%	16.53
NBTel	(36.9)	9.12	4.22	46.3%	13.34	16.89	49.4%	13.39
Bell	(695.7)	10.39	3.41	32.8%	13.81	13.65	54.2%	12.04
Manitoba Tel	(37.6)	6.21	2.16	34.8%	8.37	8.65		9.12
SaskTel	(63.1)	6.07	4.18	68.9%	10.25	16.72		13.71
AGT	(154.2)	8.23	5.33	64.8%	13.56	21.33	58.2%	18.62
B.C. Tel	(179.4)	10.08	4.22	41.8%	14.30	16.86	63.3%	15.29
Total or Mean	(1,235.6)	9.78	3.68	37.6%	13.46	14.72		12.49
Unweighted Average		9.06	3.81	42.0%	12.86	15.22		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(18.5)	11.39	6.33	55.6%	17.72	25.31	
Island Tel	(4.6)	10.13	4.18	41.2%	14.31	16.70	57.3%
MT&T	(45.5)	9.89	5.61	56.8%	15.50	22.45	48.2%
NBTel	(36.9)	9.12	6.27	68.8%	15.39	25.09	36.4%
Bell	(695.7)	10.39	5.30	51.0%	15.69	21.20	39.3%
Manitoba Tel	(37.6)	6.21	3.33	53.6%	9.53	13.31	
SaskTel	(63.1)	6.07	6.33	104.3%	12.40	25.31	
AGT	(154.2)	8.23	8.18	99.4%	16.40	32.70	47.9%
B.C. Tel	(179.4)	10.08	6.72	66.7%	16.80	26.88	50.6%
Total or Mean	(1,235.6)	9.78	5.69	58.2%	15.47	22.77	
Unweighted Average		9.06	5.80	64.1%	14.86	23.22	

INDEPENDENT TELEPHONE COMPANIES

27 of S(A)

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 2.75 cts/min 6.1% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates
discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS			BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
			MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)			
Terra Nova Tel	(6.2)	20.30	8.36	41.2%	28.66	33.46	56.5%	7.60%
Quebec-Tel	(22.1)	20.34	10.75	52.8%	31.08	42.98		7.44%
Telebec	(11.9)	32.05	6.85	21.4%	38.90	27.41		5.99%
Northern Tel	(3.6)	23.75	5.23	22.0%	28.99	20.94		7.45%
Thunder Bay	(1.3)	10.93	0.87	8.0%	11.80	3.49		2.94%
'edmonton tel'	(7.4)	19.24	1.25	6.5%	20.49	5.01		2.08%
Prince Rupert	(0.1)	19.70	0.76	3.9%	20.46	3.04		2.42%
NorthwesTel	(9.6)	12.92	9.27	71.8%	22.19	37.09		7.95%
Total or Mean	(62.2)	19.54	3.63	18.6%	23.17	14.50		6.53%
Unweighted Average		19.90	5.42	27.2%	25.32	21.68		5.48%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(6.2)	20.30	3.98	19.6%	24.28	15.94	65.4%
Quebec-Tel	(22.1)	20.34	5.33	26.2%	25.67	21.31	
Telebec	(11.9)	32.05	3.11	9.7%	35.16	12.44	
Northern Tel	(3.6)	23.75	2.86	12.0%	26.61	11.45	
Thunder Bay	(1.3)	10.93	0.58	5.3%	11.51	2.33	
'edmonton tel'	(7.4)	19.24	0.83	4.3%	20.07	3.33	
Prince Rupert	(0.1)	19.70	0.42	2.1%	20.12	1.67	
NorthwesTel	(9.6)	12.92	7.06	54.6%	19.98	28.24	
Total or Mean	(62.2)	19.54	2.06	10.5%	21.60	8.23	
Unweighted Average		13.90	3.02	15.2%	22.92	12.09	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers:	RESELLER		
Geographic Areas of Competition:	All Canada		
Rate Structure:	STATUS QUO RATES		
Contribution Charge:	2.75 cts/min	6.1% of Telco rate.	
Market Lost to Competition:	-20.0%		
		Competing rates discounted by	25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(6.2)	8.14	3.35	41.2%	11.49	13.42	77.6%	18.46
Quebec-Tel	(22.1)	7.64	4.04	52.8%	11.68	16.15		16.03
Telebec	(11.9)	11.13	2.38	21.4%	13.51	9.52		10.54
Northern Tel	(3.6)	8.97	1.98	22.0%	10.95	7.91		12.11
Thunder Bay	(1.3)	4.63	0.37	8.0%	5.01	1.48		6.32
'edmonton tel'	(7.4)	6.94	0.45	6.5%	7.39	1.81		5.36
Prince Rupert	(0.1)	8.52	0.33	3.9%	8.84	1.31		4.48
NorthwesTel	(9.6)	6.46	4.64	71.8%	11.10	18.55		20.06
Total or Mean	(62.2)	7.97	2.18	27.3%	10.15	8.71		10.72
Unweighted Average		7.80	2.19	28.1%	10.00	8.77		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(6.2)	8.14	3.98	48.9%	12.13	15.94	74.1%
Quebec-Tel	(22.1)	7.64	5.33	69.7%	12.97	21.31	
Telebec	(11.9)	11.13	3.11	27.9%	14.24	12.44	
Northern Tel	(3.6)	8.97	2.86	31.9%	11.83	11.45	
Thunder Bay	(1.3)	4.63	0.58	12.6%	5.22	2.33	
'edmonton tel'	(7.4)	6.94	0.83	12.0%	7.77	3.33	
Prince Rupert	(0.1)	8.52	0.42	4.9%	8.93	1.67	
NorthwesTel	(9.6)	6.46	7.06	109.3%	13.52	28.24	
Total or Mean	(62.2)	7.97	2.96	37.2%	10.93	11.85	
Unweighted Average		7.80	3.02	38.7%	10.83	12.09	

EXHIBIT 18

LOCAL RATE INCREASES ($/MONTH)

1995
(Equal Percentage Increases)

ALL-CANADA COMPETITION
BY RESELLERS

STATUS QUO RATES

Competitor's Rate Discount:	Residence			Business		
	0%	10%	25%	0%	10%	25%
	Mean Rate Increases					
TELECOM CANADA MEMBERS						
Telcos' Market Loss - 10 Percent						
Fac. Based Carrier	0.54	0.72	1.05	1.78	2.37	3.42
Reseller	1.28	1.53	1.97	4.17	4.99	6.42
Telcos' Market Loss - 20 Percent						
Fac. Based Carrier	0.84	1.20	1.83	2.75	3.93	5.98
Reseller	2.32	2.81	3.69	7.56	9.18	12.03
INDEPENDENTS						
Telcos' Market Loss - 10 Percent						
Fac. Based Carrier	0.19	0.32	0.54	(0.55)	(0.22)	0.36
Reseller	0.69	0.86	1.17	0.76	1.21	2.01
Telcos' Market Loss - 20 Percent						
Fac. Based Carrier	0.23	0.48	0.91	(1.49)	(0.83)	0.30
Reseller	1.24	1.58	2.18	1.15	2.05	3.63

between rate increases or decreases cannot be summarized by such a simple multiplier for those carriers: the differences are between $0.50 and $3.33.

The reason for the differences is the fact that a reseller can not afford the same high levels of contribution payments as the Facility Based Carrier. The differences can be seen in Exhibits 3 through 5 which show (in brackets) the contribution charges that a reseller can afford to pay. They are significantly lower than those of the Facility Based Carrier.

The study showed that competition by resellers is economically less efficient than competition by a Facility Based Carrier.

As discussed earlier, there are several reasons for this relatively lower efficiency:

(i) Due to the lack of national coverage, resellers are less likely to attract residential subscribers than a Facility Based Carrier. This lead to the assumption that a typical reseller's utilization of transmission circuits, without concentration of messages, would only be 6,000 minutes per month.

(ii) Typically, a reseller would serve only a few cities, or perhaps only one city. He would rent Foreign Exchange lines from the telephone companies to destinations with significant traffic but would not be able to afford renting lines to too many small locations, as traffic would not be heavy enough to pay for those lines. In contrast, a Facility Based Carrier would have a full network with appropriate nodes and a system of switches. In that manner an East-West transmission "spine" can be maintained which combines the traffic of many locations and can achieve the utilization that would keep the transmission channels highly utilized. As noted earlier, this study assumed an average utilization of a reseller's individual transmission circuit of only 6,000 minutes per month and an improvement of that capacity, through concentration of messages, by a factor of 1.5. In contrast, it was assumed that the telephone company can utilize an individual circuit at a level of 10,000 minutes per month and, through concentration, increase that capacity by a factor of 2.0. The capacity of a Facility Based Carrier was assumed to be much closer to the telephone companies' capacity than to that of a reseller.

(iii) As the result of this level of utilization the reseller's average cost of transmission (in the form of payments to the telephone companies for private line leases) was estimated to be approximately 13 cents per minute, vs. the telephone companies estimated cost of 6 cents per minute

(See Appendix E). A Facility Based Carrier's costs are much closer to the latter than to the former.

(iv) Due to economies of scale it was assumed in the analysis that a reseller's switching costs will be 40 percent of the total facility costs incurred by a Facility Based Carrier (expressed in terms of cents per unit of traffic), even though the switching costs of the Facility Based Carrier were estimated to be only 25 percent of his total facility costs. Similar economies of scale were assumed in maintenance and operating costs.

These differences result in the affordability of lower contribution payments by resellers than by a Facility Based Carrier. The financial model used for the resellers, developed in aggregate, is presented in Appendix B.

It can be concluded that the reseller's lower contribution payments to the telephone companies result in higher local rate increases than required for the scenarios in which the competitor is a single Facility Based Carrier.

If resellers were allowed to compete with the telephone companies and/or a Facility Based Carrier, the reasons for such a move would have to be other than financial.

This study did not address the non-financial advantages or disadvantages of competition. It is likely that there would be differences between the types or variety of service provided by resellers and those provided by a Facility Based Carrier. The value of these differences has to be traded off against the differential financial impacts identified in this study.

The supplementary volumes to this report, contain summary tables for all the simulated cases.

Tables are also presented in those volumes for scenarios of mixed competition in which 25 percent of the competing services is provided by resellers and 75 percent by a Facility Based Carrier. The financial impacts of those scenarios are between those of a Facility Based Carrier and those of resellers.

IV. THE IMPACT OF COMPETITION ON SUBSCRIBER GROUPS

The percentage of subscribers who would potentially benefit from competition in long distance telephone services was shown in the tables of Part III of the report and in the supplementary volumes of tables. The percentages shown in those tables apply to all resident and all business subscribers.

In this part of the report more detail is provided on the impacts of competition on individual subscriber sub-groups. The following sub-groups are identified:

Residents - Urban
Residents - Rural
Small business
Medium business
Large business

"Rural" was defined as an exchange with less than 1,000 access lines. "Small business" was defined as single-line subcribers, "medium business" was defined as multi-line subscribers (generally with key sets) and "large business" was defined as subscribers with PBX or Centrex service.

The telephone companies were asked to report for a sample month in 1986 or 1987, the numbers of subscribers in each of these groups sub-divided into the following categories:

- Subscribers with no long distance calls.
- Subscribers with monthly long distance charges of less than $25.00.
- Subscribers with monthly long distance charges of less than $100.00.
- Subscribers with monthly long distance charges of less than $1,000.
- Subscribers with monthly long distance charges of $1,000 and over.

Not all of the carriers were able to provide these data. The following carriers responded:

Bell Canada
IslandTel.
Maritime T&T
N.B.Tel

AGT (incomplete response)
B.C.Tel
Terra Nova Tel
NorthwesTel (incomplete response)

The two carriers with incomplete responses were not able to separate the number of subscribers into all of the sub-groups but did report the amounts of long distance telephone bills by aggregated groups.

Using the telephone company responses, curves were plotted to indicate the cumulative percentage of subscribers whose long distance telephone bill exceeded a certain amount. The points provided for the 0, $25, $100 and $1,000 points were sufficient for plotting such curves for each subscriber group.

Another set of curves was plotted to indicate the amount of basic local charges that the average subscriber paid in each of the categories in the sample month.

The average local telephone bills paid by subscribers in each category was far from uniform. For example, residential rural subscribers' local charges were significantly lower than residential urban subcribers' local charges while the long distance charges of the former group were higher than the long distance charges of the latter. In the business sector subscribers with higher long distance bills had generally higher local bills as well.

These curves were used to analyze the scenario in which a competing Facility Based Carrier discounted the telephone companies' rates by 25 percent and the telephone companies lost 20 percent of their long distance market.

The curves developed for 1987 were expanded to represent a 1995 profile. Both the local and the long distance charges were changed to reflect the projected telephone bills for 1995, using the rate changes and volume changes predicted by the telephone company model. It was assumed that all the subscribers will increase their long distance usage from 1987 to 1995 proportionately, i.e., the shape of the curves will not change. This means that, for example, if the telephone company model predicted that subscribers will make 50 percent more long distance telephone calls in 1995 than in 1987 the long distance usage of all categories was increased by that percentage.

The next step was to determine the net savings or penalties expereinced by each subscriber category as the result of competition. This analysis produced the Tables at the end of this Part (Pages 94 to 107).

The Tables show the percentage of subscribers who would save:

more than $1,000 per month
$100 to $1,000 per month
$25 to $100 per month
$5 to $25 per month
0 to $5 per month.

The bottom parts of the Tables show the percentage of subscribers who would experience penalties rather than savings of the magnitudes above.

It is important to realize that the percentages shown in the Tables relate to those subscribers who actually switched to the competitor's services. Obviously, those subscribers who did not switch would only experience the local rate increases but no benefits from the discounts applied by the competitor to long distance rates.

The basic assumption underlying the Tables was that the probability of a subscriber switching to the competitor does not depend on the size of his or her telephone bill. Once competition had been introduced and local rates were increased, all subscribers will save money if they switched to the competitor, even though some subscribers' total telephone bills would be higher than before competition was introduced. The latter are in the lower ("penalty") section of the Tables.

Even though there would be an incentive for every subscriber to switch after competition had been introduced and local rates have been increased, the incentives would undoubtedly be greater for those customers who make more long distance calls. This factor could not be considered in the analysis, since it was not possible to forecast the proportion of subscribers who would switch in the various bill-size categories.

If there were no bias in the decision process to switch from the existing telephone company to the competitor's services the profiles indicated in the Tables could be applied to the entire subscriber population. Thus, for example, for Bell urban residence subscribers, under status quo rates, 65 percent are shown as having the potential for deriving savings from competition in spite of higher local rates (see third column of the Table pertaining to Bell). However, since it was assumed that the telephone company would lose only 20 percent of its long distance traffic, the percentage of all Bell subscribers who would actually benefit would only be 0.2 x 65 = 13 percent of the urban resident subscribers. The remaining 7 percent of the 20 percent of subscribers who switched would be worse off than before competition (but would still benefit from the switch once local rates have been increased).

A bias in the self-selection of "switchers" would change the profile described above. If only the largest long distance users were to switch, the market loss of 20 percent would be equivalent to a loss of a smaller percentage of customers whose volume nonetheless would make up the 20 percent in traffic. Thus, the percentage of total subscribers who would actually benefit from competition would drop from the 13 percent indicated above.

From the data submitted by the carriers it could be broadly estimated that in the extreme case in which only the subscribers with the largest long distance bills would switch to the competitor, about 8 percent of the resident subscribers who would switch to the competitor would cause a loss of 20 percent of resident traffic to the Telco. Similarly, only about 5 percent of the business subscribers would have to switch to cause a 20 percent loss percent loss of business traffic. Thus, the lower limit of the percentage of subscribers who will certainly benefit from competition in the "20 percent market loss" scenario would be about 8 percent of all resident subscribers and 5 percent of all business subscribers.

It can thus be concluded that the percentage of customers who will actually benefit from competition would be, in Bell's case, between 8 and 13 percent in the urban resident sector and between 5 and 9.6 percent in the large business sector.

The last four columns of the Tables show the percentage of subscribers in the various benefit/penalty categories for the "20 percent market loss" scenario under rebalanced rates. First, the percentages are shown for subscribers experiencing benefits or penalties resulting from competition only, once the rates have been already rebalanced. The last two columns show the percentages when the impacts of rate rebalancing and competition are combined.

The percentage of subscribers in the categories that experience lower total telephone bills after the combined changes than before is lower than in the status quo scenarios, with the exception of large business. The reason is the relatively large local rate increase attributable to the rebalancing itself.*

It should be emphasized that the issue whether a customer's total telephone bill is higher or lower after the changes than before can not be considered as the only criterion for total benefits or costs. While many subscribers' telephone bills will be larger after rate rebalancing than before those subscribers will make substantially more long distance calls than before. The benefits derived from those calls are not reflected in the Tables.

When the numbers in the ensuing Tables are compared with the global percentages produced by the telephone company model (indicating the percentage of total residents or total business subscribers whose telephone bill would potentially be lower after competition than before) some differences might be noted. The reasons for these differences are:

- The numbers in the Tables produced by the telephone company model (as shown in Part III) indicate the percentages of access lines. The detailed tables shown in this part of the report indicate percentages of subscribers.
- The Tables in Part III consider only basic local rates for access lines. The detailed information provided by the telephone companies on local charges by subscriber

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* Since rebalancing affects all subscribers, there is no equivalent to the "cross-subsidy" flowing in the competition case from those who do not switch to those who do.

category include additional charges which would be subject to rate increases, such as service charges, charges for touch tone service, etc.

- The numbers in Part III were calculated for a large number of cases by using a smooth curve described by a mathematical equation rather than by using actual points that more accurately reflect the distribution of subscribers. There may be small discrepancies between the curve and the actual points.

The figures shown in the Tables of Part III and in the supplementary volumes of the report are nevertheless reasonably good indications of the impacts of competition on customer bills.

POTENTIAL CHANGES IN TELEPHONE BILLS IN COMPETITIVE SCENARIOS

BELL

	UNDER STATUS QUO RATES		UNDER REBALANCED RATES			
			EFFECT OF COMPETITION		EFFECT OF REBAL. + COMP'N	
POTENTIAL DOLLAR CHANGE IN BILL	% OF SUB-SCRIBERS	CUMULA-TIVE %	% OF SUB-SCRIBERS	CUMULA-TIVE %	% OF SUB-SCRIBERS	CUMULA-TIVE %
			BUSINESS - SMALL			
MORE THAN -1000	0.1	0.1	0.0	0.0	0.0	0.0
-1000 TO -100	3.7	3.8	0.5	0.5	3.3	3.3
-100 TO -25	7.7	11.5	11.8	12.3	10.7	14.0
-25 TO -5	17.5	29.0	17.7	30.0	9.3	23.3
-5 TO 0	14.5	43.5	11.5	41.5	3.2	26.5
0 TO 5	30.4	73.9	24.3	65.8	4.3	30.8
5 TO 25	26.1	100.0	34.2	100.0	69.2	100.0
25 TO 100	0.0	100.0	0.0	100.0	0.0	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0
			BUSINESS - MEDIUM			
MORE THAN -1000	2.0	2.0	0.6	0.6	2.3	2.3
-1000 TO -100	21.2	23.2	20.4	21.0	22.5	24.8
-100 TO -25	19.0	42.2	20.0	41.0	11.3	36.1
-25 TO -5	13.6	55.8	13.5	54.5	5.7	41.8
-5 TO 0	4.5	60.3	5.5	60.0	1.5	43.3
0 TO 5	10.5	70.8	7.7	67.7	1.7	45.0
5 TO 25	23.2	94.0	32.3	100.0	9.4	54.4
25 TO 100	6.0	100.0	0.0	100.0	45.6	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0
			BUSINESS - LARGE			
MORE THAN -1000	15.8	0.0	12.3	0.0	14.0	0.0
-1000 TO -100	18.7	0.0	17.4	0.0	3.1	73.4
-100 TO -25	11.5	39.3	10.9	44.0	2.4	78.7
-25 TO -5	5.0	46.2	5.2	51.2	0.5	79.6
-5 TO 0	1.1	47.9	1.7	52.5	0.1	79.9
0 TO 5	1.7	49.0	1.3	54.2	0.3	80.0
5 TO 25	6.9	54.0	7.2	59.4	0.9	80.5
25 TO 100	39.3	65.5	44.0	70.3	5.3	82.9
100 TO 1000	0.0	84.2	0.0	87.7	73.4	86.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0

POTENTIAL CHANGES IN TELEPHONE BILLS IN COMPETITIVE SCENARIOS

BELL

	UNDER STATUS QUO RATES		UNDER REBALANCED RATES			
			EFFECT OF COMPETITION		EFFECT OF REBAL. + COMP'N	
POTENTIAL DOLLAR CHANGE IN BILL	% OF SUB- SCRIBERS	CUMULA- TIVE %	% OF SUB- SCRIBERS	CUMULA- TIVE %	% OF SUB- SCRIBERS	CUMULA- TIVE %
RESIDENCE - URBAN						
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	0.0	0.0	0.2	0.2	1.3	1.3
-100 TO -25	8.4	8.4	6.5	6.7	12.7	14.0
-25 TO -5	27.6	36.0	24.0	30.7	19.4	33.4
-5 TO 0	29.0	65.0	37.3	68.0	13.6	47.0
0 TO 5	35.0	100.0	32.0	100.0	25.8	72.8
5 TO 25	0.0	100.0	0.0	100.0	27.2	100.0
25 TO 100	0.0	100.0	0.0	100.0	0.0	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0
RESIDENCE - RURAL						
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	0.2	0.2	0.0	0.0	1.7	1.7
-100 TO -25	9.7	9.9	7.3	7.3	14.4	16.1
-25 TO -5	31.3	41.2	30.3	37.6	27.9	44.0
-5 TO 0	35.3	76.5	40.7	78.3	23.0	67.0
0 TO 5	23.5	100.0	21.7	100.0	33.0	100.0
5 TO 25	0.0	100.0	0.0	100.0	0.0	100.0
25 TO 100	0.0	100.0	0.0	100.0	0.0	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0

POTENTIAL CHANGES IN TELEPHONE BILLS IN COMPETITIVE SCENARIOS

ISLAND TEL

	UNDER STATUS QUO RATES		UNDER REBALANCED RATES			
			EFFECT OF COMPETITION		EFFECT OF REBAL. + COMP'N	
POTENTIAL DOLLAR CHANGE IN BILL	% OF SUB-SCRIBERS	CUMULA-TIVE %	% OF SUB-SCRIBERS	CUMULA-TIVE %	% OF SUB-SCRIBERS	CUMULA-TIVE %
BUSINESS - SMALL						
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	4.2	4.2	0.4	0.4	11.8	11.8
-100 TO -25	14.8	19.0	16.9	17.3	15.8	27.6
-25 TO -5	22.0	41.0	18.7	36.0	8.4	36.0
-5 TO 0	12.5	53.5	5.8	41.8	2.2	38.2
0 TO 5	46.5	100.0	58.2	100.0	1.8	40.0
5 TO 25	0.0	100.0	0.0	100.0	60.0	100.0
25 TO 100	0.0	100.0	0.0	100.0	0.0	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0
BUSINESS - MEDIUM						
MORE THAN -1000	0.5	0.5	0.0	0.0	3.2	3.2
-1000 TO -100	36.3	36.8	33.1	33.1	45.7	48.9
-100 TO -25	26.9	63.7	25.1	58.2	12.5	61.4
-25 TO -5	15.3	79.0	11.9	70.1	4.8	66.2
-5 TO 0	5.3	84.3	5.7	75.8	1.0	67.2
0 TO 5	5.8	90.1	8.3	84.1	1.4	68.6
5 TO 25	9.9	100.0	15.9	100.0	6.8	75.4
25 TO 100	0.0	100.0	0.0	100.0	24.6	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0
BUSINESS - LARGE						
MORE THAN -1000	1.8	1.8	1.0	1.0	4.5	4.5
-1000 TO -100	18.6	20.4	21.1	22.1	15.6	20.1
-100 TO -25	11.1	31.5	7.7	29.8	11.0	31.1
-25 TO -5	7.5	39.0	8.0	37.8	5.4	36.5
-5 TO 0	3.0	42.0	3.9	41.7	1.5	38.0
0 TO 5	4.0	46.0	5.3	47.0	1.5	39.5
5 TO 25	54.0	100.0	53.0	100.0	6.8	46.3
25 TO 100	0.0	100.0	0.0	100.0	31.0	77.3
100 TO 1000	0.0	100.0	0.0	100.0	22.7	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0

POTENTIAL CHANGES IN TELEPHONE BILLS IN COMPETITIVE SCENARIOS

ISLAND TEL

POTENTIAL DOLLAR CHANGE IN BILL	UNDER STATUS QUO RATES		UNDER REBALANCED RATES			
			EFFECT OF COMPETITION		EFFECT OF REBAL. + COMP'N	
	% OF SUB-SCRIBERS	CUMULA-TIVE %	% OF SUB-SCRIBERS	CUMULA-TIVE %	% OF SUB-SCRIBERS	CUMULA-TIVE %
RESIDENCE - URBAN						
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	0.2	0.2	0.0	0.0	2.0	2.0
-100 TO -25	10.6	10.8	6.6	6.6	20.0	22.0
-25 TO -5	31.7	42.5	32.5	39.1	23.8	45.8
-5 TO 0	32.5	75.0	33.1	72.2	12.9	58.7
0 TO 5	25.0	100.0	27.8	100.0	18.9	77.6
5 TO 25	0.0	100.0	0.0	100.0	22.4	100.0
25 TO 100	0.0	100.0	0.0	100.0	0.0	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0
RESIDENCE - RURAL						
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	0.1	0.1	0.0	0.0	1.4	1.4
-100 TO -25	6.2	6.3	4.3	4.3	14.8	16.2
-25 TO -5	29.5	35.8	27.6	31.9	23.6	39.8
-5 TO 0	34.2	70.0	40.1	72.0	17.2	57.0
0 TO 5	30.0	100.0	28.0	100.0	43.0	100.0
5 TO 25	0.0	100.0	0.0	100.0	0.0	100.0
25 TO 100	0.0	100.0	0.0	100.0	0.0	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0

POTENTIAL CHANGES IN TELEPHONE BILLS IN COMPETITIVE SCENARIOS

MT&T

POTENTIAL DOLLAR CHANGE IN BILL	UNDER STATUS QUO RATES		UNDER REBALANCED RATES			
			EFFECT OF COMPETITION		EFFECT OF REBAL. + COMP'N	
	% OF SUB-SCRIBERS	CUMULA-TIVE %	% OF SUB-SCRIBERS	CUMULA-TIVE %	% OF SUB-SCRIBERS	CUMULA-TIVE %
BUSINESS - SMALL						
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	4.0	4.0	3.1	3.1	9.0	9.0
-100 TO -25	15.4	19.4	13.1	16.2	6.8	15.8
-25 TO -5	12.4	31.8	15.6	31.8	4.5	20.3
-5 TO 0	7.5	39.3	7.7	39.5	1.7	22.0
0 TO 5	60.7	100.0	60.5	100.0	2.5	24.5
5 TO 25	0.0	100.0	0.0	100.0	75.5	100.0
25 TO 100	0.0	100.0	0.0	100.0	0.0	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0
BUSINESS - MEDIUM						
MORE THAN -1000	0.0	0.0	0.0	0.0	4.8	4.8
-1000 TO -100	30.4	30.4	30.2	30.2	38.7	43.5
-100 TO -25	28.8	59.2	20.2	50.4	13.9	57.4
-25 TO -5	6.3	65.5	13.7	64.1	4.2	61.6
-5 TO 0	6.0	71.5	6.1	70.2	1.2	62.8
0 TO 5	6.4	77.9	8.0	78.2	1.2	64.0
5 TO 25	22.1	100.0	21.8	100.0	5.1	69.1
25 TO 100	0.0	100.0	0.0	100.0	30.9	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0
BUSINESS - LARGE						
MORE THAN -1000	5.7	0.0	4.7	0.0	5.2	0.0
-1000 TO -100	17.3	0.0	16.3	0.0	11.4	32.0
-100 TO -25	7.6	20.0	10.5	8.9	7.9	62.9
-25 TO -5	5.6	58.0	4.7	57.8	4.5	68.8
-5 TO 0	2.8	61.0	2.5	61.3	1.0	70.0
0 TO 5	3.0	63.8	3.5	63.8	1.2	71.0
5 TO 25	38.0	69.4	48.9	68.5	5.9	75.5
25 TO 100	20.0	77.0	8.9	79.0	30.9	83.4
100 TO 1000	0.0	94.3	0.0	95.3	32.0	94.8
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0

POTENTIAL CHANGES IN TELEPHONE BILLS IN COMPETITIVE SCENARIOS

M T & T

POTENTIAL DOLLAR CHANGE IN BILL	UNDER STATUS QUO RATES		UNDER REBALANCED RATES			
			EFFECT OF COMPETITION		EFFECT OF REBAL. + COMP'N	
	% OF SUB-SCRIBERS	CUMULA-TIVE %	% OF SUB-SCRIBERS	CUMULA-TIVE %	% OF SUB-SCRIBERS	CUMULA-TIVE %
R E S I D E N C E - U R B A N						
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	0.0	0.0	0.0	0.0	2.7	2.7
-100 TO -25	6.1	6.1	6.8	6.8	17.4	20.1
-25 TO -5	32.4	38.5	29.8	36.6	18.0	38.1
-5 TO 0	29.0	67.5	33.4	70.0	9.9	48.0
0 TO 5	32.5	100.0	30.0	100.0	17.0	65.0
5 TO 25	0.0	100.0	0.0	100.0	35.0	100.0
25 TO 100	0.0	100.0	0.0	100.0	0.0	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0
R E S I D E N C E - R U R A L						
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	0.1	0.1	0.0	0.0	1.7	1.7
-100 TO -25	7.1	7.2	6.3	6.3	16.1	17.8
-25 TO -5	30.8	38.0	27.0	33.3	20.4	38.2
-5 TO 0	29.0	67.0	29.4	62.7	13.3	51.5
0 TO 5	33.0	100.0	37.3	100.0	23.1	74.6
5 TO 25	0.0	100.0	0.0	100.0	25.4	100.0
25 TO 100	0.0	100.0	0.0	100.0	0.0	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0

POTENTIAL CHANGES IN TELEPHONE BILLS IN COMPETITIVE SCENARIOS

NB TEL

POTENTIAL DOLLAR CHANGE IN BILL	UNDER STATUS QUO RATES		UNDER REBALANCED RATES			
			EFFECT OF COMPETITION		EFFECT OF REBAL. + COMP'N	
	% OF SUB- SCRIBERS	CUMULA- TIVE %	% OF SUB- SCRIBERS	CUMULA- TIVE %	% OF SUB- SCRIBERS	CUMULA- TIVE %
			BUSINESS - SMALL			
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	3.0	3.0	0.7	0.7	4.5	4.5
-100 TO -25	9.5	12.5	11.6	12.3	10.5	15.0
-25 TO -5	19.3	31.8	17.7	30.0	8.2	23.2
-5 TO 0	11.3	43.1	10.0	40.0	2.6	25.8
0 TO 5	23.2	66.3	21.0	61.0	2.6	28.4
5 TO 25	33.7	100.0	39.0	100.0	21.8	50.2
25 TO 100	0.0	100.0	0.0	100.0	49.8	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0
			BUSINESS - MEDIUM			
MORE THAN -1000	0.5	0.5	0.0	0.0	1.8	1.8
-1000 TO -100	20.9	21.4	20.7	20.7	20.2	22.0
-100 TO -25	17.8	39.2	18.3	39.0	7.9	29.9
-25 TO -5	10.6	49.8	8.8	47.8	3.2	33.1
-5 TO 0	3.7	53.5	2.3	50.1	0.8	33.9
0 TO 5	4.4	57.9	3.6	53.7	0.9	34.8
5 TO 25	42.1	100.0	46.3	100.0	4.2	39.0
25 TO 100	0.0	100.0	0.0	100.0	61.0	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0
			BUSINESS - LARGE			
MORE THAN -1000	5.7	0.0	12.2	0.0	16.0	0.0
-1000 TO -100	44.9	11.8	39.1	0.0	15.8	56.1
-100 TO -25	11.2	29.3	8.8	32.0	3.2	62.3
-25 TO -5	3.2	33.0	3.2	35.3	0.6	63.6
-5 TO 0	1.0	34.0	0.6	36.1	0.4	64.0
0 TO 5	1.0	35.0	0.8	36.7	0.4	64.4
5 TO 25	3.7	38.2	3.3	39.9	1.3	65.0
25 TO 100	17.5	49.4	32.0	48.7	6.2	68.2
100 TO 1000	11.8	94.3	0.0	87.8	56.1	84.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0

POTENTIAL CHANGES IN TELEPHONE BILLS IN COMPETITIVE SCENARIOS

N B T E L

POTENTIAL DOLLAR CHANGE IN BILL	UNDER STATUS QUO RATES		UNDER REBALANCED RATES			
			EFFECT OF COMPETITION		EFFECT OF REBAL. + COMP'N	
	% OF SUB- SCRIBERS	CUMULA- TIVE %	% OF SUB- SCRIBERS	CUMULA- TIVE %	% OF SUB- SCRIBERS	CUMULA- TIVE %
RESIDENCE - URBAN						
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	0.0	0.0	0.0	0.0	0.7	0.7
-100 TO -25	10.8	10.8	6.3	6.3	13.7	14.4
-25 TO -5	34.9	45.7	23.5	29.8	16.6	31.0
-5 TO 0	22.2	67.9	37.2	67.0	9.1	40.1
0 TO 5	32.1	100.0	33.0	100.0	13.2	53.3
5 TO 25	0.0	100.0	0.0	100.0	46.7	100.0
25 TO 100	0.0	100.0	0.0	100.0	0.0	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0
RESIDENCE - RURAL						
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	0.0	0.0	0.0	0.0	0.5	0.5
-100 TO -25	6.2	6.2	6.2	6.2	10.1	10.6
-25 TO -5	20.2	26.4	18.8	25.0	13.4	24.0
-5 TO 0	29.8	56.2	23.0	48.0	8.0	32.0
0 TO 5	43.8	100.0	52.0	100.0	12.5	44.5
5 TO 25	0.0	100.0	0.0	100.0	55.5	100.0
25 TO 100	0.0	100.0	0.0	100.0	0.0	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0

POTENTIAL CHANGES IN TELEPHONE BILLS IN COMPETITIVE SCENARIOS

B C TEL

	UNDER STATUS QUO RATES		UNDER REBALANCED RATES			
			EFFECT OF COMPETITION		EFFECT OF REBAL. + COMP'N	
POTENTIAL DOLLAR CHANGE IN BILL	% OF SUB-SCRIBERS	CUMULA-TIVE %	% OF SUB-SCRIBERS	CUMULA-TIVE %	% OF SUB-SCRIBERS	CUMULA-TIVE %
BUSINESS - SMALL						
MORE THAN -1000	0.1	0.1	0.0	0.0	0.0	0.0
-1000 TO -100	5.2	5.3	4.0	4.0	10.0	10.0
-100 TO -25	15.2	20.5	15.5	19.5	9.2	19.2
-25 TO -5	19.6	40.1	17.1	36.6	7.9	27.1
-5 TO 0	9.8	49.9	9.2	45.8	3.4	30.5
0 TO 5	18.4	68.3	17.2	63.0	5.5	36.0
5 TO 25	31.7	100.0	37.0	100.0	26.0	62.0
25 TO 100	0.0	100.0	0.0	100.0	38.0	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0
BUSINESS - MEDIUM						
MORE THAN -1000	1.5	1.5	1.8	1.8	4.0	4.0
-1000 TO -100	27.2	28.7	27.0	28.8	28.0	32.0
-100 TO -25	19.5	48.2	18.4	47.2	9.8	41.8
-25 TO -5	9.4	57.6	9.0	56.2	3.2	45.0
-5 TO 0	3.3	60.9	2.8	59.0	1.0	46.0
0 TO 5	4.0	64.9	3.0	62.0	0.9	46.9
5 TO 25	23.9	88.8	23.7	85.7	3.6	50.5
25 TO 100	11.2	100.0	14.3	100.0	23.6	74.1
100 TO 1000	0.0	100.0	0.0	100.0	25.9	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0
BUSINESS - LARGE						
MORE THAN -1000	16.7	0.0	17.6	0.0	19.5	0.0
-1000 TO -100	27.5	0.0	24.8	0.0	16.1	27.1
-100 TO -25	9.9	34.3	10.1	24.2	9.8	44.4
-25 TO -5	3.8	39.9	5.4	38.3	3.9	48.5
-5 TO 0	1.1	41.0	1.8	40.3	1.1	49.6
0 TO 5	1.1	42.1	2.0	42.1	1.1	50.7
5 TO 25	5.6	45.9	14.1	47.5	4.1	54.6
25 TO 100	34.3	55.8	24.2	57.6	17.3	64.4
100 TO 1000	0.0	83.3	0.0	82.4	27.1	80.5
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0

POTENTIAL CHANGES IN TELEPHONE BILLS IN COMPETITIVE SCENARIOS

B C TEL

	UNDER STATUS QUO RATES		UNDER REBALANCED RATES			
			EFFECT OF COMPETITION		EFFECT OF REBAL. + COMP'N	
POTENTIAL DOLLAR CHANGE IN BILL	% OF SUB-SCRIBERS	CUMULA-TIVE %	% OF SUB-SCRIBERS	CUMULA-TIVE %	% OF SUB-SCRIBERS	CUMULA-TIVE %
R E S I D E N C E - U R B A N						
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	1.7	1.7	0.6	0.6	4.0	4.0
-100 TO -25	11.4	13.1	9.4	10.0	20.0	24.0
-25 TO -5	35.7	48.8	35.2	45.2	27.8	51.8
-5 TO 0	25.1	73.9	26.8	72.0	10.1	61.9
0 TO 5	26.1	100.0	28.0	100.0	11.3	73.2
5 TO 25	0.0	100.0	0.0	100.0	26.8	100.0
25 TO 100	0.0	100.0	0.0	100.0	0.0	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0
R E S I D E N C E - R U R A L						
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	1.2	1.2	0.2	0.2	6.2	6.2
-100 TO -25	21.7	22.9	18.6	18.8	36.1	42.3
-25 TO -5	51.5	74.4	47.1	65.9	30.0	72.3
-5 TO 0	15.9	90.3	23.9	89.8	15.5	87.8
0 TO 5	9.7	100.0	10.2	100.0	12.2	100.0
5 TO 25	0.0	100.0	0.0	100.0	0.0	100.0
25 TO 100	0.0	100.0	0.0	100.0	0.0	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0

POTENTIAL CHANGES IN TELEPHONE BILLS IN COMPETITIVE SCENARIOS

TERRA NOVA

POTENTIAL DOLLAR CHANGE IN BILL	UNDER STATUS QUO RATES		UNDER REBALANCED RATES EFFECT OF COMPETITION		UNDER REBALANCED RATES EFFECT OF REBAL. + COMP'N	
	% OF SUB-SCRIBERS	CUMULA-TIVE %	% OF SUB-SCRIBERS	CUMULA-TIVE %	% OF SUB-SCRIBERS	CUMULA-TIVE %
BUSINESS - SMALL						
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	9.7	9.7	8.1	8.1	15.5	15.5
-100 TO -25	22.3	32.0	18.8	26.9	16.8	32.3
-25 TO -5	20.0	52.0	22.9	49.8	12.4	44.7
-5 TO 0	11.0	63.0	11.2	61.0	4.8	49.5
0 TO 5	37.0	100.0	39.0	100.0	3.5	53.0
5 TO 25	0.0	100.0	0.0	100.0	47.0	100.0
25 TO 100	0.0	100.0	0.0	100.0	0.0	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0
BUSINESS - MEDIUM						
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	0.0	0.0	0.0	0.0	0.0	0.0
-100 TO -25	0.0	0.0	0.0	0.0	0.0	0.0
-25 TO -5	0.0	0.0	0.0	0.0	0.0	0.0
-5 TO 0	0.0	0.0	0.0	0.0	0.0	0.0
0 TO 5	0.0	0.0	0.0	0.0	0.0	0.0
5 TO 25	0.0	0.0	0.0	0.0	0.0	0.0
25 TO 100	0.0	0.0	0.0	0.0	0.0	0.0
100 TO 1000	0.0	0.0	0.0	0.0	0.0	0.0
MORE THAN 1000	0.0	0.0	0.0	0.0	0.0	0.0
BUSINESS - LARGE						
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	5.6	0.0	3.5	0.0	10.8	0.0
-100 TO -25	18.5	0.0	19.8	0.0	16.7	0.0
-25 TO -5	23.7	0.0	20.4	0.0	10.5	54.0
-5 TO 0	12.4	39.8	10.3	46.0	3.5	58.5
0 TO 5	39.8	52.2	46.0	56.3	4.5	62.0
5 TO 25	0.0	75.9	0.0	76.7	54.0	72.5
25 TO 100	0.0	94.4	0.0	96.5	0.0	89.2
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0

POTENTIAL CHANGES IN TELEPHONE BILLS IN COMPETITIVE SCENARIOS

TERRA NOVA

	UNDER STATUS QUO RATES		UNDER REBALANCED RATES			
			EFFECT OF COMPETITION		EFFECT OF REBAL. + COMP'N	
POTENTIAL DOLLAR CHANGE IN BILL	% OF SUB- SCRIBERS	CUMULA- TIVE %	% OF SUB- SCRIBERS	CUMULA- TIVE %	% OF SUB- SCRIBERS	CUMULA- TIVE %
			RESIDENCE - URBAN			
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	0.2	0.2	0.0	0.0	4.0	4.2
-100 TO -25	17.5	17.7	15.5	15.5	26.5	30.5
-25 TO -5	42.3	60.0	42.6	58.1	17.0	47.5
-5 TO 0	23.6	83.6	24.1	82.2	6.4	53.9
0 TO 5	16.4	100.0	17.8	100.0	12.9	66.8
5 TO 25	0.0	100.0	0.0	100.0	33.2	100.0
25 TO 100	0.0	100.0	0.0	100.0	0.0	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0
			RESIDENCE - RURAL			
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	0.2	0.2	0.0	0.0	3.0	3.0
-100 TO -25	13.1	13.3	16.4	16.4	29.6	32.6
-25 TO -5	52.6	65.9	44.4	60.8	31.7	64.3
-5 TO 0	21.1	87.0	25.4	86.2	13.0	77.3
0 TO 5	13.0	100.0	13.8	100.0	11.7	89.0
5 TO 25	0.0	100.0	0.0	100.0	11.0	100.0
25 TO 100	0.0	100.0	0.0	100.0	0.0	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0

POTENTIAL CHANGES IN TELEPHONE BILLS IN COMPETITIVE SCENARIOS

NW TEL

	UNDER STATUS QUO RATES		UNDER REBALANCED RATES			
			EFFECT OF COMPETITION		EFFECT OF REBAL. + COMP'N	
POTENTIAL DOLLAR CHANGE IN BILL	% OF SUB-SCRIBERS	CUMULA-TIVE %	% OF SUB-SCRIBERS	CUMULA-TIVE %	% OF SUB-SCRIBERS	CUMULA-TIVE %
RESIDENCE - ALL						
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	0.0	0.0	0.0	0.0	0.0	0.0
-100 TO -25	0.2	0.2	0.2	0.2	2.2	2.2
-25 TO -5	39.8	40.0	36.8	37.0	79.8	82.0
-5 TO 0	45.5	85.5	50.0	87.0	4.0	86.0
0 TO 5	0.7	86.2	0.5	87.5	0.5	86.5
5 TO 25	13.8	100.0	12.5	100.0	0.5	87.0
25 TO 100	0.0	100.0	0.0	100.0	13.0	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0
BUSINESS - ALL						
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	0.0	0.0	0.0	0.0	0.0	0.0
-100 TO -25	2.5	2.5	6.5	6.5	21.4	21.4
-25 TO -5	53.0	55.5	41.3	47.8	41.6	63.0
-5 TO 0	13.7	69.2	22.2	70.0	5.5	68.5
0 TO 5	2.6	71.8	2.0	72.0	1.5	70.0
5 TO 25	1.2	73.0	28.0	100.0	0.5	70.5
25 TO 100	27.0	100.0	0.0	100.0	29.5	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0

POTENTIAL CHANGES IN TELEPHONE BILLS IN COMPETITIVE SCENARIOS

A G T

	UNDER STATUS QUO RATES		UNDER REBALANCED RATES			
			EFFECT OF COMPETITION		EFFECT OF REBAL. + COMP'N	
POTENTIAL DOLLAR CHANGE IN BILL	% OF SUB-SCRIBERS	CUMULA-TIVE %	% OF SUB-SCRIBERS	CUMULA-TIVE %	% OF SUB-SCRIBERS	CUMULA-TIVE %
			ALL SUBSCRIBERS			
MORE THAN -1000	0.0	0.0	0.0	0.0	0.0	0.0
-1000 TO -100	0.0	0.0	0.0	0.0	0.0	0.0
-100 TO -25	0.0	0.0	0.0	0.0	5.5	5.5
-25 TO -5	19.0	19.0	17.6	17.6	19.4	24.9
-5 TO 0	22.0	41.0	22.4	40.0	12.5	37.4
0 TO 5	19.0	60.0	21.8	61.8	3.6	41.0
5 TO 25	40.0	100.0	38.2	100.0	8.0	49.0
25 TO 100	0.0	100.0	0.0	100.0	51.0	100.0
100 TO 1000	0.0	100.0	0.0	100.0	0.0	100.0
MORE THAN 1000	0.0	100.0	0.0	100.0	0.0	100.0

EXHIBIT 19

IMPACT OF PRICE ELASTICITIES

	LOW	BASE	HIGH
(a) ELASTICITIES			
Intra	-0.50	-0.60	-0.70
TransCanada	-0.55	-0.70	-0.85
Canada - U.S.	-0.65	-0.825	-1.00
Canada - Overseas	-0.60	-0.90	-1.20
(b) MEAN RESIDENTIAL RATE INCREASE CAUSED BY COMPETITION ($/month)*			
Status Quo Rates			
Mean Original Telco Rate	10.35	9.78	9.09
Rate Increase at 10% Market Penetration	1.11	1.05	0.95
Rate Increase at 20% Market Penetration	1.98	1.83	1.61
Rebalanced Rates			
Mean Original Telco Rate	16.77	15.72	14.50
Rate Increase at 10% Market Penetration	1.05	1.07	1.08
Rate Increase at 20% Market Penetration	1.86	1.87	1.84

* Competitor's rates 25% below Telcos'. All-Canada Competition.

V. SENSITIVITY TESTS

Five different types of analysis were performed to test the sensitivity of the results to some of the parameters that are subject to uncertainty or that might be changed as the result of alternate assumptions.

These were the tests:

- Assuming different price elasticities
- Assuming different investment elasticities
- Assuming different Types of Access for the competitor (vs. those assumed in the main simulations)
- Assuming lower internal rates of return to the competitor
- Assuming that all the rate increases are charged to business.

These tests were performed for the scenarios in which a Facility Based Carrier applies a 25 percent discount to its rates vis-a-vis the Telco rates and has a market penetration of 10 or 20 percent. Unless otherwise noted the tests were carried out for all-Canada competition and status quo Telco rates.

The Impacts of Price Elasticities

Exhibit 19 shows the results of these tests. Under status quo rates the choice of elasticity factors has a very small impact on the estimates of local rate increases.

When the status quo rate scenario is compared with the rebalanced rate scenario, however, the differences between those two scenarios are very significant. The local rates resulting from rebalancing alone (without competition) will be much lower in the high-elasticity case than in the low-elasticity case.

The reason is obvious: when elasticities are assumed to be high, the estimated stimulation of traffic resulting from the reduction of toll rates will be much greater than in the case when elasticities are assumed to be low. Hence, the higher volume of traffic will offset more of the negative impacts of toll rate reductions.

Once the rate rebalancing has been accomplished, however, the impacts of the elasticities on the competitive scenarios will be small.

EXHIBIT 20

IMPACT OF INVESTMENT ELASTICITIES

	BASE	LOW
(a) ELASTICITIES		
Local	0.9	0.8
Toll	0.6	0.4
Loop	1.0	1.0
(b) MEAN RESIDENTIAL RATE INCREASE CAUSED BY COMPETITION ($/month)*		
Status Quo Rates		
Mean Original Telco Rate	9.78	8.91
Rate Increase at 10% Market Penetration	1.05	1.14
Rate Increase at 20% Market Penetration	1.83	2.00
Rebalanced Rates		
Mean Original Telco Rate	18.72	14.26
Rate Increase at 10% Market Penetration	1.07	1.24
Rate Increase at 20% Market Penetration	1.87	2.20

* Competitor's rates 25% below Telcos'. All-Canada Competition.

The Impacts of Investment Elasticities

The investment elasticities link the increase in fixed plant to traffic growth. Lower elasticities would indicate the need for less fixed plant to handle a particular growth in traffic.

Exhibit 20 shows the results of the sensitivity tests. Most interestingly, under lower investment elasticities the rate increases caused by competition are greater. The reason for this finding is the fact that under a low investment elasticity assumption the original local rate (before competition) would be significantly lower in 1995 than under a high elasticity assumptions (as the traffic of that year would require less investment).

Still, the differences between the base case and low-elasticity case are not very large.

The Impacts of Access Arrangements

Exhibit 21 shows the results of these tests. All three Access Types defined earlier in the report were tested for both 10 and 20 percent market penetration.

Again, the differences between the alternatives can only be measured in pennies.

Impacts of Lower Returns to Competitor

When a Facility Based Carrier's internal rate return on cash flow is reduced from 13 to 10 percent and the planning horizon extended from 10 to 15 years the contribution charges that he can afford will increase. With a 25 percent rate discount the competitor's affordable contribution charge increases as follows:

	Base Charge	Increased Charge
With 10% market penetration:	7.25¢	7.78¢
With 20% market penetration:	7.92¢	8.30¢

The Telcos' local rate increases under these charges will be as follows:

	Under Base Charge	Under Increased Charge
With 10% market penetration:	$1.05	$0.95
With 20% market penetration:	$1.83	$1.70

EXHIBIT 21

IMPACT OF ACCESS FACILITY CHARGES

	TYPE D 1-950-0XXX	TYPE E 1-0XXX	TYPE F 1-
(a) START-UP COSTS PER ACCESS LINE ($/line)			
10% Market Penetration	0.35*	6.00	13.00
20% Market Penetration	0.35	6.00	13.00*
(c) AVERAGE RESIDENTIAL RATE INCREASE CAUSED BY COMPETITION ($/month)**			
10% Market Penetration	1.05*	1.12	1.20
20% Market Penetration	1.68	1.75	1.83*

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* BASE CASE.

** Competitor's rates 25% below Telcos'. All-Canada Competition.

The Impacts of Charging All the Local Rate Increases to Business

The policy of keeping the prices of local residential telephone services at levels below costs requires a subsidy either from long distance services or from local business services (or both). Consequently, it was of interest to test the alternative in which all changes occurred between the two subsidizing sections while the subsidised residential sector was not touched. Accordingly in that alternative, the impacts of toll rate reductions or of long distance competition were offset by business rate increases alone.

Exhibit 22 shows the results of the tests. With business carrying the entire burden of local rate increases, those increases would broadly be equal to twice the increases occurring when the burden of the rate increase is shared equally between the residence and business sectors.

EXHIBIT 22

ENTIRE RATE INCREASE CHARGED TO BUSINESS ONLY

1987-1995 AVERAGE RATE INCREASES TO BUSINESS CAUSED BY COMPETITION ($/month)**

	Base Case*	Business Only
10% Market Penetration	3.42	6.70
20% Market Penetration	5.98	11.72
No Competition, Rebalanced Rates	19.47	38.16

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* Residential rates increased as well.
** Competitor's rate 25% below Telcos'. All-Canada Competition.

VI - SUPPLEMENTARY CONSIDERATIONS

The results of sensitivity tests involving relative small changes in price elasticity assumptions were reported in Part V. This Part of the report explores the impacts of a wider range of assumptions.

Subsequently, the report examines the impacts of potential competition-induced stimulation of the total long distance telephone market.

THE IMPACTS OF WIDE VARIATIONS IN PRICE ELASTICITY ASSUMPTIONS

Changes of assumptions regarding the price elasticity of long distance telephone demand have at least three important impacts on the prediction of the telephone companies' financial results and telephone rates:

(i) The Base Case projected for the test year will depend on the assumptions.

(ii) When long distance and local rates are re-balanced in the test year the new rates will depend on the assumptions.

(iii) The same level of competition will have different impacts on rates under different assumptions.

These aspects are examined below.

(i) The Impacts on the Base Case

As described in the Report, the 1995 Base Case was forecast by assuming that past growth trends will continue into the future. The growth of past toll traffic was predicted by using the following equation:

$$M_{86} = M_{78} \times \left[\frac{P_{86}}{P_{78}}\right]^{\beta} \times (1+r)^{8}$$

where:

M_{86} = billed minutes in 1986
M_{78} = billed minutes in 1978
P_{86} = real price in 1986
P_{78} = real price in 1978
β = price elasticity
r = residual annual trend

EXHIBIT 23

RESIDUAL ANNUAL GROWTH TRENDS (%)

	Assumed Price Elasticities		
Elasticity:	-0.4	Base	-1.3
Newfoundland Tel.	5.57	4.92	2.67
Island Tel	3.27	2.81	1.25
Maritime T&T	3.36	3.05	1.97
NBTel	5.73	4.60	0.76
Bell	6.59	6.02	4.07
Manitoba TS	5.12	4.65	3.02
Sask Tel	4.89	4.86	4.75
AGT	5.14	4.57	2.60
B.C.Tel	5.45	4.79	2.48
Intercompany	10.75	8.00	3.75

In that equation the impacts of real price changes were expressed explicitly* while the impacts of all other changes in the economic and social environment were lumped into a "residual" annual growth trend (r). That growth trend included such factors as changes in the number of telephone lines, changes in incomes, changes in the Gross Domestic Product, changes in competing postal services, etc.

Since the 1986 and 1978 traffic volumes (in minutes) and prices (measured as revenues divided by minutes) were known, the only two variables left in the equation were: the elasticity (β) and the residual trend (r). Consequently, by varying one of these variables the other had to vary in a compensating direction. Since the prices for toll traffic declined in real terms in the 1978-1986 period a higher value assumed for the price elasticity of toll demand would have explained more of the past growth and would have left a smaller amount for the residual trend.

This is clearly indicated in Exhibit 23 which shows the residual trends for the major telephone companies under various elasticity assumptions. The extreme cases of -0.4 and -1.3 were used in this analysis for all traffic sectors. The mid-point elasticities were the same as those used in the main study, i.e. :

Intracompany:	-0.6
TransCanada:	-0.7
Canada-U.S.:	-0.825
Canada-Overseas:	-0.9

Considering that the number of telephone lines increased at a rate of approximately 3.5% per annum, any residual trend that was smaller than that number would have meant a decline in long distance use per telephone line. This would have been a rather unlikely finding, considering positive changes in real incomes, the deterioration of postal service and positive changes in the attitudes toward telephones in the general population. Since an elasticity assumption of -1.3 would have lead to such low residuals, that value did not appear to be realistic.

Nevertheless, the analysis was continued for the extreme elasticity assumptions indicated above.

Exhibit 24 shows the projected rate increases or decreases under each elasticity assumption. The Exhibit shows that the assumption of high elasticity results in somewhat higher future rates for most telephone companies. The reason for this finding is that under high elasticity assumptions, the residual trends (which continue into the future) are lower, and hence, the projected future toll traffic may be lower than under the assumption of lower elasticities. It is true that higher elasticities have a

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* Note that price changes, as defined in this analysis, include both changes in tariffs and changes in the mix of traffic (with respect to discount/full price ratios or distance distributions).

EXHIBIT 24

FORECAST RATE INCREASES OR (DECREASES) FROM JANUARY 1, 1988 TO 1995

- Equal Change to Local and Intracompany Rates
- No Change in Intercompany and Extra-Canada Rates
- No Competition

	Forecast Average Annual Rate Change (%)		
Elasticity:	-0.4	Base	-1.3
Newfoundland Tel.	+ 0.37	+ 0.95	+ 1.46
Island Tel	- 0.16	+ 0.67	+ 1.18
Maritime T&T	- 1.40	- 0.62	- 0.31
NBTel	- 1.31	- 0.37	+ 0.61
Bell	+ 1.12	+ 1.22	+ 0.84
Manitoba TS	- 1.53	- 0.80	- 0.36
Sask Tel	- 1.70	- 1.13	- 1.87
AGT	- 0.03	+ 0.63	+ 1.27
B.C.Tel	- 0.49	- 0.02	+ 1.17
Terra Nova	+ 0.32	+ 0.34	+ 0.93
Quebec Tel	+ 1.45	+ 0.56	- 2.52
Telebec	+ 1.84	+ 1.15	- 1.12
Northern Teleph.	- 1.88	- 1.38	- 1.62
Thunder Bay T.	- 1.01	- 0.25	+ 0.61
'et'	- 2.37	- 2.02	- 1.45
Prince Rupert T.	+ 1.54	+ 1.77	+ 1.83
NorthwesTel	- 2.40	- 1.51	- 1.06

greater stimulating effect on toll traffic but, as the results indicate, this effect cannot completely offset the impacts of the lower residual trends (in the case of all telephone companies except Bell).

(ii) The Impacts of Elasticities on Rate Re-balancing

When toll rates are reduced the volume of toll traffic will increase. Since toll traffic provides a substantial contribution to common costs, the greater the increase in traffic volume the higher will be the contribution under a given price and the lower will be the revenue required from the local sector. Consequently, the higher the price elasticity assumption the lower will be the projected local rate increase caused by rate re-balancing.

Exhibit 25 shows the mean local rates that would result from the following toll rate reductions in 1995:

Intracompany:	-20%
TransCanada:	-50%
U.S.-Overseas:	-25%

Exhibit 25 indicates that the elasticity assumptions have a significant impact on the local rate increases that would result from rate re-balancing. Whereas in the Base Case the increase of residential rates would be in the order of $6 for the major carriers, the corresponding rate increase would be in the order of $8 under an elasticity of -0.4 but only $1.60 under an elasticity of -1.3.

The projected local rate increases for the independent companies are lower but show the same pattern.

(iii) The Impacts of Competition Under Various Elasticity Assumptions

Exhibit 25 also shows the impacts of competition on local rates under various elasticity assumptions.

Under status quo rates the assumption of higher elasticities result in lower local rate increases under competition. Assuming a 20% loss of market to the competitor and a price discount of 25% by the competitor, the mean residential rate increase of the major carriers drops from $2.09 per month to $1.30 per month when the elasticity changes from -0.4 to -1.3. The reason for this drop is the fact that under the assumption of higher elasticity the competitor's price discount will cause a greater increase in volume for the competitor and, consequently, higher contribution payments to the telephone companies.

The rate increases of the independent companies are generally lower but exhibit the same pattern.

Under re-balanced rates the impacts of elasticity assumptions are smaller than in the case of status quo rates. Whereas, as explained above, under status quo rates higher elasticities tend to reduce the requirements for local rate increases, these impacts are offset in the re-balanced case by a

EXHIBIT 25

IMPACTS OF COMPETITION ON LOCAL RATES UNDER VARIOUS ELASTICITY ASSUMPTIONS

20% loss of toll traffic to Telcos
25% rate discount by competitor
Equal percentage rate increases

	Residence Rates					
	Majors			Independents		
Toll Elasticity:	-0.4	Base	-1.3	-0.4	Base	-1.3
Status Quo Rates						
Mean Rate	9.54	9.78	9.72	8.64	8.72	7.62
Mean Reat Increases Under Competition	2.09	1.83	1.30	1.20	1.13	0.97
Re-balanced Rates						
Mean Rate	17.50	15.72	11.34	12.52	11.82	9.51
Mean Rate Increases Under Competition	1.83	1.87	1.94	1.06	1.04	1.11

change in the telephone companies revenue requirements from the various sectors, as described below.

When elasticities are high, re-balancing increases the revenue contributions made by the toll sector to a greater extent than under low elasticity assumptions. As indicated earlier, this results in lower local rate levels and, thus, lower contributions from the local sector. The higher the ratio of contributions from the toll traffic to the contributions from the local sector the more vulnerable is a telephone company to the loss of toll traffic, i.e., the higher will be the required local rate increase when a certain percentage of the toll traffic is lost. This increase in the revenue requirements from the local sector under higher elasticities offsets the beneficial effect of higher compensation payments paid by the competitor under the high elasticity assumption. These are the reasons why Exhibit 25 indicates a relatively low sensitivity of local rate increases to the elasticity assumptions under competition in a re-balanced scenario.

THE IMPACTS OF MARKET STIMULATION

It may be argued that the existence of more than one service provider may stimulate the entire market for long distance telephone service. Whereas it is not possible to predict the extent of such stimulation, or whether any stimulation would occur at all, the assumptions of a total market stimulation of 1 percent, 3 percent and 5 percent were tested in the form of sensitivity analysis.

A commonly expressed contention for market stimulation under increased competitive pressures is the larger volume of advertising. According to that contention, under competition companies may spend more money on advertising than in a monopoly situation, as in the former case the results of successful advertising are gains of market share from the competitor, as opposed to a monopoly situation in which the only gain of the service provider would be an overall stimulation of total demand. Since the potential for financial gains is much higher in the former case than in the latter, advertising budgets will be determined accordingly.

The modelling of advertising and promotion costs has not been attempted, however, in this study. Since incremental advertising and other marketing expenses were ignored in the analysis, the stimulation has not been attributed to advertising for the purpose of this sensitivity test.

Instead, it may be possible to link market stimulation to the availability of a larger number of pricing schemes under competition than under a monopoly, better tailored to the needs of a variety of users and matched with their ability or willingness to pay specific amounts for the service. As an example, such market stimulation was experienced in air travel when fares were deregulated and the airlines were able to introduce a great variety of discount schemes, catering to the specific needs of various passenger groups, all willing or able to pay different prices. In this manner the business sector was charged large price increases, with the proceeds used

EXHIBIT 26

THE IMPACTS OF MARKET STIMULATION ON LOCAL RATES UNDER COMPETITION

20% loss of toll traffic to Telcos
25% rate discount by competitor
Equal percentage rate increases

Market Stimulation	Telcos' Market Loss	Competitor's Gain	Mean Residence Rate Increase	
			Majors	Independents
	%	%	$	$
0%	-20.0	24.11	1.83	0.91
1%*	-19.2	24.35	1.61	0.77
3%	-17.6	24.84	1.17	0.50
5%	-16.0	25.32	0.74	0.22

* See detailed outputs in Exhibit 27.

to offer significant rate discounts to a sector of the population that previously could not afford to travel by air. Various schemes have been used to prevent the high-priced travellers from "leaking" into the discount sector, thereby "spoiling" the intended maximization of revenues from each sector.

Such schemes have been developed by trial and error. With more competitors in the marketplace it is conceivable that a larger variety of pricing schemes would be tried, with the potential net result of satisfying the needs of broader segments of the population.

If competition were to stimulate the long distance telephone market in this manner, the need for local rate increases would be reduced. Exhibit 26 shows the local rate increases under the assumption that the telephone companies will lose 20 percent of their market to the competitor and the competitor will apply an average 25 percent discount to the rates.

The Exhibit shows that on the basis of the average rates of all telephone companies every percentage point of toll market stimulation reduces monthly local residential rates by 22 cents for the major carriers.

Exhibit 27 shows the detailed outputs for a case of 1% market stimulation.

Similar results are presented in Exhibit 28 for a 10 percent market loss. In that case a 5 percent market stimulation would completely offset the negative financial impacts of competition.

In all of these cases it was assumed that the rate schemes designed to stimulate traffic would, in aggregate, not change the carriers' average revenue per minute of traffic (i.e., rate discounts for some of the users would be offset by rate increases to others).

Exhibit 27

THE IMPACTS OF 1% STIMULATION

TELECOM CANADA MEMBERS
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INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.94 cts/min 17.7% of Telco rate.
Market Lost to Competition: -19.2%

Competing rates
discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(8.5)	37.82	5.73	15.2%	43.56	22.93		3.12%
Island Tel	(2.0)	30.36	3.64	12.0%	34.00	14.55	63.5%	2.99%
MT&T	(22.5)	25.60	5.25	20.5%	30.85	21.01	59.4%	3.75%
NBTel	(19.1)	32.22	7.71	23.9%	39.94	30.85	58.6%	4.16%
Bell	(288.8)	35.12	4.79	13.6%	39.91	19.15	75.5%	2.74%
Manitoba Tel	(8.4)	18.19	1.41	7.8%	19.60	5.66		1.06%
SaskTel	(30.7)	17.07	5.71	33.5%	22.78	22.85		3.52%
AGT	(83.2)	22.85	7.99	35.0%	30.85	31.97	58.9%	4.37%
B.C. Tel	(80.2)	34.72	6.49	18.7%	41.22	25.97	71.7%	3.53%
Total or Mean	(543.3)	31.64	5.27	16.6%	36.90	21.06		3.06%
Unweighted Average		28.22	5.42	19.2%	33.63	21.66		3.25%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(8.5)	37.82	2.92	7.7%	40.74	11.69	
Island Tel	(2.0)	30.36	1.76	5.8%	32.12	7.03	70.5%
MT&T	(22.5)	25.60	2.77	10.8%	28.37	11.09	66.6%
NBTel	(19.1)	32.22	3.24	10.1%	35.47	12.97	75.0%
Bell	(288.8)	35.12	2.20	6.3%	37.32	8.80	83.8%
Manitoba Tel	(8.4)	18.19	0.74	4.1%	18.93	2.97	
SaskTel	(30.7)	17.07	3.08	18.0%	20.14	12.30	
AGT	(83.2)	22.85	4.41	19.3%	27.27	17.64	71.0%
B.C. Tel	(80.2)	34.72	3.01	8.7%	37.73	12.02	81.5%
Total or Mean	(543.3)	31.64	2.53	8.0%	34.17	10.14	
Unweighted Average		28.22	2.68	9.5%	30.90	10.72	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.94 cts/min 17.7% of Telco rate.
Market Lost to Competition: -19.2%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(8.5)	11.39	1.73	15.2%	13.12	6.91		14.09
Island Tel	(2.0)	10.13	1.21	12.0%	11.34	4.85	75.9%	12.52
MT&T	(22.5)	9.89	2.03	20.5%	11.92	8.12	73.1%	14.68
NBTel	(19.1)	9.12	2.18	23.9%	11.30	8.73	68.5%	13.38
Bell	(288.8)	10.39	1.42	13.6%	11.81	5.67	73.8%	11.76
Manitoba Tel	(8.4)	6.21	0.48	7.8%	6.69	1.93		9.35
SaskTel	(30.7)	6.07	2.03	33.5%	8.10	8.13		13.22
AGT	(83.2)	8.23	2.88	35.0%	11.11	11.51	69.9%	16.42
B.C. Tel	(80.2)	10.08	1.88	18.7%	11.97	7.54	76.6%	13.49
Total or Mean	(543.3)	9.78	1.61	16.5%	11.39	6.45		12.18
Unweighted Average		9.06	1.76	19.4%	10.82	7.04		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(8.5)	11.39	2.92	25.7%	14.31	11.69	
Island Tel	(2.0)	10.13	1.76	17.3%	11.89	7.03	72.1%
MT&T	(22.5)	9.89	2.77	28.0%	12.66	11.09	67.6%
NBTel	(19.1)	9.12	3.24	35.5%	12.36	12.97	57.8%
Bell	(288.8)	10.39	2.20	21.2%	12.59	8.80	66.1%
Manitoba Tel	(8.4)	6.21	0.74	12.0%	6.95	2.97	
SaskTel	(30.7)	6.07	3.08	50.7%	9.14	12.30	
AGT	(83.2)	8.23	4.41	53.6%	12.64	17.64	62.2%
B.C. Tel	(80.2)	10.08	3.01	29.8%	13.09	12.02	70.2%
Total or Mean	(543.3)	9.78	2.49	25.5%	12.27	9.97	
Unweighted Average		9.06	2.68	29.6%	11.74	10.72	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:			
	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	7.94 cts/min	17.7% of Telco rate.
	Market Lost to Competition:	-19.2%	
			Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(2.6)	20.30	3.51	17.3%	23.81	14.06	66.5%	3.19%
Quebec-Tel	(13.9)	20.34	6.74	33.2%	27.08	26.98		4.66%
Telebec	(4.9)	32.05	2.79	8.7%	34.84	11.17		2.44%
Northern Tel	(1.4)	23.75	2.00	8.4%	25.76	8.01		2.85%
Thunder Bay	0.8	10.93	-0.58	-5.3%	10.35	-2.30		-1.94%
'edmonton tel'	14.1	19.24	-2.38	-12.4%	16.85	-9.53		-3.96%
Prince Rupert	0.3	19.70	-1.44	-7.3%	18.26	-5.76		-4.53%
NorthwesTel	(4.8)	12.92	4.65	36.0%	17.57	18.60		3.98%
Total or Mean	(12.3)	19.54	0.02	0.1%	19.56	0.09		1.29%
Unweighted Average		19.90	1.91	9.6%	21.82	7.65		0.83%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(2.6)	20.30	1.67	8.2%	21.97	6.70	70.8%
Quebec-Tel	(13.9)	20.34	3.34	16.4%	23.68	13.37	
Telebec	(4.9)	32.05	1.27	4.0%	33.31	5.07	
Northern Tel	(1.4)	23.75	1.10	4.6%	24.85	4.38	
Thunder Bay	0.8	10.93	-0.38	-3.5%	10.54	-1.54	
'edmonton tel'	14.1	19.24	-1.58	-8.2%	17.65	-6.33	
Prince Rupert	0.3	19.70	-0.79	-4.0%	18.90	-3.17	
NorthwesTel	(4.8)	12.92	3.54	27.4%	16.46	14.16	
Total or Mean	(12.3)	19.54	-0.18	-0.9%	19.37	-0.70	
Unweighted Average		19.90	1.02	5.1%	20.92	4.08	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.94 cts/min 17.7% of Telco rate.
Market Lost to Competition: -19.2%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(2.6)	8.14	1.41	17.3%	9.55	5.64	87.2%	14.48
Quebec-Tel	(13.9)	7.64	2.53	33.2%	10.18	10.14		16.20
Telebec	(4.9)	11.13	0.97	8.7%	12.10	3.88		11.08
Northern Tel	(1.4)	8.97	0.76	8.4%	9.73	3.03		11.49
Thunder Bay	0.8	4.63	-0.24	-5.3%	4.39	-0.98		5.61
'edmonton tel'	14.1	6.94	-0.86	-12.4%	6.08	-3.44		3.02
Prince Rupert	0.3	8.52	-0.62	-7.3%	7.89	-2.49		4.69
NorthwesTel	(4.8)	6.46	2.33	36.0%	8.78	9.30		16.54
Total or Mean	(12.3)	7.97	0.77	9.7%	8.74	3.10		9.50
Unweighted Average		7.80	0.78	10.0%	8.59	3.14		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(2.6)	8.14	1.67	20.6%	9.81	6.70	86.1%
Quebec-Tel	(13.9)	7.64	3.34	43.8%	10.98	13.37	
Telebec	(4.9)	11.13	1.27	11.4%	12.40	5.07	
Northern Tel	(1.4)	8.97	1.10	12.2%	10.07	4.38	
Thunder Bay	0.8	4.63	-0.38	-8.3%	4.25	-1.54	
'edmonton tel'	14.1	6.94	-1.58	-22.8%	5.36	-6.33	
Prince Rupert	0.3	8.52	-0.79	-9.3%	7.72	-3.17	
NorthwesTel	(4.8)	6.46	3.54	54.8%	10.00	14.16	
Total or Mean	(12.3)	7.97	0.87	11.0%	8.84	3.49	
Unweighted Average		7.80	1.02	13.1%	8.82	4.08	

EXHIBIT 28

THE IMPACTS OF MARKET STIMULATION ON LOCAL RATES UNDER COMPETITION

10% loss of toll traffic to Telcos
25% rate discount by competitor
Equal percentage rate increases

Market Stimulation	Telcos' Market Loss	Competitor's Gain	Mean Residence Rate Increase	
			Majors	Independents
	%	%	$	$
0%	-10.0	12.06	1.05	0.54
1%	-9.1	12.18	0.82	0.40
3%	-7.3	12.42	0.37	0.12
5%	-5.5	12.66	-0.09	-0.16

APPENDIX A

THE TELEPHONE CARRIER FINANCIAL SIMULATOR

Description of the Simulator

The Telephone Carrier Financial Simulator can be best described on the basis of its output. Exhibits A-1 and A-2 show an output of the model for Bell Canada for the projected test year of 1995.

The model consists of five parts:

- parameters input by the user
- historical financial data for 1978
- historical financial data for 1982
- historical financial data for 1986
- projections for 1995.

Only the first and the last two parts of the model are exhibited in this Appendix and only for Bell Canada, as these are sufficient for the explanation of the model.

The model contains similar spreadsheets for all 9 Telecom Canada member carriers and for 8 of the most significant independent carriers.

Input Parameters

On the left side of Exhibit A-1, various growth rates are shown, historical as well as projected by the user. In the first two columns (1), the 1978-1982 and 1982-1986 growth rates are shown, based on historical data. In the third column (2) the 1986-1995 growth rates are shown, as projected by the user.

The sources for the 1978, 1982 and 1986 data were the carriers. The following additional data and/or assumptions were used:

- Inflation: based on the Statistics Canada Telephone Plant price index, reflecting reproduction costs (rather than replacement costs). These reflect the increase in the prices of the same pieces of equipment (as opposed to replacement costs which consider improvements in technology). The index is close to the consumer price index; consequently, no distinction was made between various price indices for forecasting purposes.

- Local traffic: since no specific data were available for the usage of local plants (as opposed to the number of access lines or subscriber stations) the general assumption was

EXHIBIT A-1

CARRIER FINANCIAL SIMULATOR

```
                                                                                        ⑲
                                                                                   COMPETITION
                                    ****************************                   -----------
                                      B E L L   C A N A D A                   CONTR. CHARGE/MIN:  $0.0000      0.0% of Telco rate
                                    ****************************              MARKET LOSS (%):      0.00%
                              ①          ②                   ④                COMP'S. GAIN:         0.00%
ANNUAL GROWTH RATES (%):     78-82   82-86   86-95         INVESTMENT       ③
------------------------     -----   -----   -----        ELASTICITIES   PRICE ELAST.      TOLL RATE CHANGE (%):   ⑤
    LOCAL STATIONS:           2.40    4.45    3.50          -------        -------        ----------------------
    LOCAL TRAFFIC:            4.40    6.45    5.50   LOC     0.90     INTRA    0.60     INTRA  ADJACENT TRANSCAN CANADA-US CDA-OVR
    "INTRA"TOLL TRAFFIC:      7.09    8.38    6.02   INTRA   0.60     INTER    0.70     ------ -------- -------- --------- -------
    "TRANS"TOLL TRAFFIC:     12.18   10.03    8.00   TRANS   0.60     CDA-US   0.83      0.00     0.00     0.00      0.00    0.00
    "ADJ"  TOLL TRAFFIC:      4.37    9.72    8.00 ⑳ ADJ     0.60     OVRSEAS  0.90
    LOOP                      1.32    3.43    3.50   LOOP    1.00
    "INTRA"RATES              7.92    1.63   -1.23
    "TRANS" RATES             1.42    4.38   -1.16 ㉑   PRODUCTVTY IMPROV.:     5.00%
    "ADJ" RATES               4.45    4.33   -1.16      ADDITIONAL IMPROV.:     0.00%          ⑥
    LOCAL RATES:              9.85    0.56    1.22                                        RES SETS     4.646
⑯  INFLATION (PERIOD):       1.50    1.19    1.55                            0.00%                     8.168 (EQUIV.)
    F.S.T. (%)                               10.0                                         BUS LINES    1.303
                                          <-⑧->
                            ⑦     "INTRA" ADJACENT TRANSCAN   TOTAL     SUB                     ⑪      COMPET.⑩
                          LOCAL    TOLL     TOLL     TOLL     TOLL     TOTAL      LOOP    RESIDUAL  & TERM.    TOTAL
      1978                -----   -----    -----    -----    -----     -----     ------   --------  -------   -------
      ----
GROSS INVESTMENT (1978)  2,045.0  1,423.8   32.9    287.3   1,744.0   3,789.0   2,621.0            2,029.7   8,439.7  ⑬

CAPITAL EXPENSE(INCL.DEP)  264.8    186.4    4.3     39.2    229.9     494.7     358.0              356.6   1,209.2  ⑫
OPERATING EXPENSE          215.6    140.1    3.3     37.3    180.7     396.3     167.0    316.4     430.8   1,310.6
                        ------------------------------------------------------------------------------------------
TOTAL EXPENSE              480.4    326.5    7.6     76.5    410.6     891.0     525.0    316.4     787.4   2,519.8

REVENUE (FULL RSP)         715.5    685.0   40.2    287.6   1,012.8   1,728.3      0.0              787.4   2,515.7
                        ------------------------------------------------------------------------------------------
SURPLUS (SHORTFALL)        235.1    358.5   32.6    211.1    602.2     837.3   (525.0)  (316.4)      0.0     (4.1)

                                             ⑨
COLLECTED REVENUES                          40.2    375.2
```

made that the average monthly usage time of stations (local access lines) increases by 2 percent per year.

In the projections for 1995, the values assumed for price elasticities (3) were given to the study team by another study group. The "investment elasticities" (4) are discussed in Appendix D.

The assumed toll rate reductions for a desired 1995 rate rebalancing scenario are shown in the top right corner of the model output (5).

The Spreadsheet

The bottom part of Exhibit A-1 shows gross plant (investment), and expense and revenue data for 1986, in accordance with the cost separation methods specified by the Telecom Canada Revenue Settlement Plan (RSP).

The columns in this part of the output are defined below.

The "Local" category (7) in the Revenue Settlement Plan includes no terminal equipment; mobile and coin services are also excluded from this column. Whereas the attachment of customer-owned terminal equipment to the telephone system is only permitted (and classified as "competitive") in some of the jurisdictions, for the sake of uniformity terminal equipment has been excluded from the "Local" category for all carriers. The main rotary set, where its rate is bundled with the basic access rate, was subtracted from the data by assuming its cost and rate to be one dollar per month.

The various toll categories (8) are consistent with those defined by the RSP. They consist basically of Message Toll services, WATS services (including 800 services), and network-connected private line services (such as Foreign Exchange, Tie Trunk and Off-Premises Extensions).

Separate entry was set up in the model for collection revenues (9). There is a difference between the sum total of these and the sum total of settled revenues if aggregated for all carriers in the Simulator: the difference represents the net outflow of funds to international carriers. There are substantial internal shifts within the Canadian settlements from carrier to carrier.

All residual telephone service revenues were lumped into the "Competitive and Terminal" column (10). Most of these amounts represent competitive services. It was assumed that the expenses equal revenues in this column; it was also assumed that all residual fixed assets ("plant in service" as per company balance sheets less monopoly plant) are in this category. Miscellaneous revenues not considered to be part of telephone service (eg., yellow pages, real estate and investment income accepted by the RSP for financial expense calculations, capitalized interest) are shown in the "residual" column (11). The sum of the columns equals the carrier's total revenues as shown on its income statement, after subtraction of any revenues related to subsidiary companies.

EXHIBIT A-2

CARRIER FINANCIAL SIMULATOR

RES SETS 5.508 3.50 BUS
EQV'T MAIN SETS (M) - 1986: 11.341 3.50 KEY
BUS LINES 1.667 6.00 PBX

1986 ---	LOCAL	"INTRA" TOLL	ADJACENT TOLL	TRANSCAN TOLL	TOTAL TOLL	SUB TOTAL	LOOP	RESIDUAL	COMPET. & TERM.	TOTAL	
⑭ FIX	17.04%	17.31%	17.72%	17.60%	17.38%	17.19%	17.73%			17.82%	
GROWTH TO 1986:									1.246		
ORIG. TRAFFIC	1.284	1.380	1.449	1.466			1.144		0.953	1.363	
INVESTMENT	1.320	1.176	1.606	1.410	1.227	1.278	1.336		1.223	1.285	
⑬ GROSS INVESTMENT	3,531.1	2,106.4	77.2	571.1	2,754.8	6,285.9	5,535.1		3,418.0	15,239.0	
unit cost reduction	0.84	0.90	0.95	0.91			0.98				
⑫ CAPITAL EXPENSE(INCL.DEP)	601.7	364.6	13.7	100.5	478.8	1,080.5	981.3		653.6	2,715.3	
⑱ OPERATING EXPENSE	364.6	274.7	9.2	85.5	369.5	734.1	483.6	1,603.0	744.6	3,565.4	
TOTAL EXPENSE	966.3	639.3	22.9	186.0	848.3	1,814.6	1,464.9	1,603.0	1,398.2	6,280.7	
			110.2	950.6							
REVENUE(FULL RSP)	1,393.8	1,836.1	101.3	985.1	2,922.5	4,316.4	0.0	566.2	1,398.2	6,280.7	
SURPLUS (SHORTFALL)	427.5	1,196.8	87.3	764.6	2,074.3	2,501.8	(1,464.9)	(1,036.9)	0.0	0.0	
indep./west		128.3	56.8								$0.418 6,620.0
COLLECTED REVENUES east	⑨	1,670.0	40.7	341.8	407.5	344.8			AVG. TOLL RATE/MIN.:		$0.418
FX, OPX, TT		44.3	2.3	19.2							6,620.0

RES SETS 7.507 3.50 BUS
EQV'T MAIN SETS (M) - 1995: 15.457 3.50 KEY
BUS LINES 2.271 6.00 PBX

1995 ---	LOCAL	"INTRA" TOLL	ADJACENT TOLL	TRANSCAN TOLL	TOTAL TOLL	SUB TOTAL	LOOP	RESIDUAL	COMPET. & TERM.	TOTAL
⑭ INC. TAX ADJUSTMNT			0.963							
FIX	16.409%	16.670%	17.067%	16.945%	16.738%		17.072%		17.159%	17.159%
GROWTH 1986 TO 1995:		2.225		2.861					1.134	
⑰ ORIG. TRAFFIC	1.619	2.225	2.738	2.738	2.896	2.995	1.363		0.898	1.734
⑮ INVESTMENT	2.236	2.251	2.687	2.788			2.055		1.572	2.047
⑬ FORECAST INVESTMENT	7,895.7	4,741.1	207.4	1,592.1	6,540.5	14,436.2	11,373.8		5,373.1	31,186.8
⑫ CAPITAL EXPENSE(INCL.DEP)	1,295.6	790.5	35.4	269.8	1,095.6	2,391.2	1,941.7		922.0	5,254.9
⑱ OPERATING EXPENSE	590.4	611.3	25.3	244.8	881.3	1,471.6	1,022.6	2,486.8	619.9	5,600.9
TOTAL EXPENSE	1,885.9	1,401.7	60.6	514.5	1,976.9	3,862.8	2,964.3	2,486.8	1,541.9	10,855.8
REVENUE(FULL RSP)	2,117.9	3,709.1	238.6	2,329.2	6,277.0	8,394.9	0.0	919.0	1,541.9	10,855.8
SURPLUS (SHORTFALL)	232.0	2,307.4	178.0	1,814.7	4,300.1	4,532.1	(2,964.3)	(1,567.8)	0.0	0.00
indep./west		253.7	140.0							
COLLECTED REVENUES east	⑨	3,323.3	100.3	842.0	1,061.9	898.7				
FX, OPX, TT		88.2	5.6	47.2						

According to telephone company accounting practices, the costs of capital are treated as any other costs. They include the combined costs of debt[1], return on equity and, where applicable, income taxes.

The "Capital Expense" line (12) includes depreciation expenses, as well as the Finanical and Income Tax Expenses (cost of capital) defined by the RSP. The latter are calculated from the carriers' "Gross Investment" (in the line above) (13) by applying the carriers' "Financial and Income Tax Expense Rates" to the gross investment in each service category. The combined depreciation and financial (plus income tax) expense rate (FIX) is shown in line (14).[3] According to the RSP, if that rate was applied to the carriers' total gross investment in a particular year and operating expenses were added, the result would equal the carriers' total gross income.

With the financial and income tax expenses included, the total amount of the carrier's expenses must equal its revenues. This equality is assumed by inserting the appropriate expense item into the "residual" column (11). This item represents those expenses that are neither recognized by the RSP as monopoly expenses nor identified as competitive expenses (as they would be in excess of competitive revenues). They are considered to represent fixed common costs.

Projections

Exhibit A-2 shows the estimates for the year 1995, developed by applying to the 1986 data the growth data rates listed in the top section of the output (Exhibit A-1).

A sub-model is incorporated in the Simulator for the calculation of the projected gross investments. This is the "Asset Model" as described in Appendix D. The growth of investment, calculated by this sub-model, is shown in the second line of the projected data for each service category (15).

As described in Appendix D, the Asset Model implies the following "investment elasticities"[2]:

o	Toll	0.6
o	Local	0.9
o	Loop	1.0

These numbers are the results of calibrations carried out by correlating the increases in assets with the increases in toll minutes (for Toll), main telephone sets (for Loop) and local traffic (for Local).

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1. Interest paid, less sinking fund income.

2. An elasticity of 0.6 means that 1 percent traffic growth requires a 0.6 percent increase in the real (constant $) value of assets.

3. Exhibit A-2.

The traffic growth rates are calculated by the model in the following manner:

(i) Apply the basic growth rate (20) shown in Exhibit A-1, representing a case with no real rate change (assuming that rates increase as inflation).

(ii) Modify the result by the impact of rate changes. The rate change is the composite of a "basic" projected real rate change[1] and a subsequent change representing rate re-balancing. The rate change is then transferred into traffic changes using the assumed price elasticities of demand (3) and the consideration of inflation (which makes an unchanged rate appear as a rate reduction).

The following steps were applied to the 1986 expenses to obtain 1995 expenses. First, the inflation ratio shown in Exhibit A-1 (16) was applied to all operating expense data. Next, those expenses that represented variable costs were multiplied by the rate of traffic growth (17).

In the next step, cost reduction (productivity improvement) factors were applied to the variable expenses (18) as follows:

o	Local and Toll :	5.0 percent/year
o	Loop :	0.0 percent/year
o	Fixed Common Costs and Competitive Expenses:	0.0 percent/year

Collection revenues were increased by the amount of traffic growth (same as applied to operating expenses) and adjusted to reflect rate changes (both basic and those pertaining to rate re-balancing scenarios).

Settled revenues were then distributed among the carriers in accordance with the Revenue Settlement Plan.

Once the 1995 "base case" had been projected, each carrier's income statement was checked. In that process it was asssumed that intercompany toll rates will decrease by 10 percent for all of the carriers and that other rates will change only by the amounts already implemented before December 31, 1987.

By checking each carrier's 1995 income statement, it was obviously found that surpluses or deficits existed. They were eliminated for each carrier by applying identical rate changes to the carrier's local and intracompany rates. These are reflected in column 2 of Exhibit A-1 (21), as added onto the 1987 rate changes already shown.

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[1] Including the new federal sales tax (FST) and considering that inflation makes unchanged rates look like declining rates in the context of the sensitivity of demand to price.

The costs of capital estimated for 1995 implied unchanged interest rates and returns on equity from 1986 to 1995. According to current rax reform proposals the corporate income tax rate was reduced by 8 percentage points from its 1986 level.

In those services that included competition, the spreadsheets were modified as follows:

- traffic growth was reduced by the specified amount, and
- the payments from the competing carriers were added to the Telcos' revenues. Item (19) in Exhibit A-1 shows these specifications, pertaining to the scenarios tested.

The independent companies' models are less detailed than those of the Telecom Canada members, primarily due to the lack of data. The most important deficiency is the lack of cost separations, which make the calculation of sector-specific contributions to common costs impossible.

The approach used for the independent companies' model was to increase all costs and revenues in proportion to the corresponding increases experienced by the "principal associated major carrier" of the independent company. Thus, for example, if Quebec Telephone experienced a growth factor of $Q_{86/82}$ for a particular item in its financial statement from 1982 to 1986 and Bell Canada experienced a growth factor of $B_{86/82}$, the following equation was applied to project a 1995 value for Quebec Telephone:

$$Q_{95/86} = \frac{Q_{86/82}}{B_{86/82}} \times B_{95/86}$$

Bell's 1995/86 growth rate was forecast in detail by the model, as previously described in this Appendix.

APPENDIX B

THE COMPETITOR'S MODEL

As sample of the Competitor's Model output in shown in Exhibits B-1A and B-1B. This is a summary of its contents, by line.

Time span	15 years, starting in 1989.
Interest rate	10.5 percent throughout the entire period.
Inflation of capital equipment used in toll switching and transmission (consistent with Telco model)	2 percent per annum throughout the period.
General inflation rate	5 percent per annum throughout the period.
Originating minutes	The basic traffic parameter, forecast for the test year of 1995. See text for the method of projection (sum total of a 9 percent overall annual market growth and a gradual increase in market share, changing from 5 percent in 1989 to 95 percent in the 1995 test year).
Access minutes	Equal twice the originating minutes.
Contribution charge per minute	An input parameter, expressed in cents per billed minute paid at each end of the communication link. The amount shown is paid to the originating carrier and an equal amount is paid to the terminating carrier. If the message originates and terminates within one carrier's territory the total payment to the carrier will be twice the amount shown.

EXHIBIT B-1A

STATUS QUO RATES

FACILITY BASED CARRIER

1995 MINUTES (orig): 6,373 million
CONTRIBUTION PAYMENT: 7.93 cents/min.
COMPET"R RATE DISCOUNT: 25.00%

INTEREST RATE 10.50%

20.00% Telco loss
26,430 Mminutes(Telcos)
0.446 $/min.(Telcos)
ROE: 14.73%

! All financial data in '000 $!
! unless otherwise noted !

	1989	1990	1991	1992	1993	1994	1995
INFLATION (CAPITAL EXP.)	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
INFL'N FACTOR, CAP. EXP. 1987$	1.040	1.061	1.082	1.104	1.126	1.148	1.171
INFLATION (OPERATING EXP.)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
INFL'N FACTOR, OP. EXP. 1987$	1.100	1.155	1.213	1.273	1.337	1.404	1.474
MINUTES - ORIGINATING (millions)	189	518	1,275	2,583	4,117	5,406	6,373
MINUTES - ACCESS (millions)	378	1,037	2,549	5,166	8,233	10,812	12,746
CONTRIBUTION PER MINUTE $	0.079	0.079	0.079	0.079	0.079	0.079	0.079
MTS/WATS RATE - TELCOS $	0.433	0.435	0.437	0.439	0.442	0.444	0.446
MTS/WATS RATE OF COMPETITOR $	0.325	0.326	0.328	0.330	0.331	0.333	0.335
CONTRIBUTION PAYMENT	30,005	82,205	202,159	409,668	652,891	857,415	1,010,742
PCT OF ULTIMATE MARKET SHARE	4.7%	11.9%	26.9%	50.0%	73.1%	88.1%	95.3%
GROWTH OF ACCESS MINUTES		2.740	2.459	2.026	1.594	1.313	1.179
REVENUES AND OUTPAYMENTS							
Customer Billings	61,409	169,085	417,906	851,127	1,363,264	1,799,315	2,131,736
Less: Uncollectibles	(614)	(1,691)	(4,179)	(8,511)	(13,633)	(17,993)	(21,317)
Cost Re-imbursement to Telcos	(38,399)	(53,525)	(89,054)	(152,097)	(228,498)	(295,903)	(349,728)
Contribution Payments	(30,005)	(82,205)	(202,159)	(409,668)	(652,891)	(857,415)	(1,010,742)
International Outpayments	(2,149)	(5,918)	(14,627)	(29,789)	(47,714)	(62,976)	(74,611)
TOTAL NET REVENUES	(9,759)	25,747	107,887	251,061	420,528	565,028	675,338
EXPENSES							
Maintenance	1,116	1,704	3,074	5,560	8,709	11,679	14,258
Leased Lines and Services:							
Inter-city Leases	757	2,073	5,099	10,332	16,466	21,625	25,492
Local Leases (incl. in Cost Reimb'nt)	0	0	0	0	0	0	0
WATS	0	0	0	17,892	16,823	17,883	69,623
Operations	22,736	42,852	78,393	125,631	185,224	241,556	290,687
General Administration	12,390	16,050	24,191	38,729	57,069	74,406	89,527
Employee Benefits	1,015	1,697	2,958	4,758	7,028	9,174	11,045
Sub-Total	38,014	64,377	113,715	202,901	291,320	376,323	500,631
Depreciation Expense	6,894	12,865	17,108	26,298	36,899	45,072	50,931
TOTAL EXPENSES	44,908	77,242	130,823	229,199	328,219	421,395	551,562

		1996	1997	1998	1999	2000	2001	2002	2003
1995 MINUTES (orig):	6,373								
CONTRIBUTION PAYMENT:	7.93								
RATE DISCOUNT:	25.00%								
INTEREST RATE	10.50%								
INFLATION (CAPITAL EXP.)		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
INFL'N FACTOR, CAP. EXP. 1987$		1.195	1.219	1.243	1.268	1.293	1.319	1.345	1.372
INFLATION (OPERATING EXP.)		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
INFL'N FACTOR, OP. EXP. 1987$		1.548	1.625	1.706	1.792	1.881	1.975	2.074	2.178
MINUTES - ORIGINATING		7,161	7,895	8,643	9,435	10,290	11,219	12,229	13.330
MINUTES - ACCESS		14,322	15,791	17,285	18,870	20,580	22,437	24,459	26,661
CONTRIBUTION PER MINUTE		0.079	0.079	0.079	0.079	0.079	0.079	0.079	0.079
MTS/WATS RATE - TELCOS		0.448	0.450	0.453	0.455	0.457	0.460	0.462	0.464
MTS/WATS RATE OF COMPETITOR		0.336	0.338	0.340	0.341	0.343	0.345	0.346	0.348
CONTRIBUTION PAYMENT		1,135,758	1,252,213	1,370,712	1,496,414	1,632,032	1,779,292	1,939,579	2,114,202
PCT OF ULTIMATE MARKET SHARE		98.2%	99.3%	99.8%	99.9%	100.0%	100.0%	100.0%	100.0%
GROWTH OF ACCESS MINUTES		1.124	1.103	1.095	1.092	1.091	1.090	1.090	1.090
REVENUES AND OUTPAYMENTS									
Customer Billings		2,407,381	2,667,493	2,934,521	3,219,653	3,529,001	3,066.664	4,236,068	4.640.533
Less: Uncollectibles		(24,074)	(26,675)	(29,345)	(32,197)	(35,290)	(38,667)	(42,361)	(46,405)
Cost Re-imbursement to Telcos		(396,464)	(442,124)	(490,149)	(542,398)	(600.016)	(663,882)	(734,808)	(813.631)
Contribution Payments		(1,135,758)	(1,252,213)	(1,370,712)	(1,496,414)	(1,632,032)	(1,779,292)	(1,939,579)	(2,114,202)
International Outpayments		(84,258)	(93,362)	(102,708)	(112,688)	(123,515)	(135,333)	(148,262)	(162,419)
TOTAL NET REVENUES		766,827	853,119	941,606	1,035,956	1,138,148	1,249.491	1,371,057	1.503,876
EXPENSES									
Maintenance		16,679	19,183	21,927	24,387	27,107	30,131	33,498	37,252
Leased Lines and Services:									
Inter-city Leases		25,492	25,492	25,492	25,492	25,492	25,492	25,492	25,492
Local Leases (incl. in Cost Reimb'nt)		0	0	0	0	0	0	0	0
WATS		74,391	49,416	51,041	55,722	60,772	66,255	72,224	78,727
Operations		336,943	384,816	437,207	483.591	534.838	591,742	655.050	725.541
General Administration		103,764	118,499	134,624	148,898	164,669	182,180	201,662	223,354
Employee Benefits		12,807	14,630	16,625	18,393	20,345	22,513	24,926	27.612
Sub-Total		570,074	612,036	686,916	756,482	833,223	918.313	1.012.852	1.117.977
Depreciation Expense		55,603	59,904	64,243	68,814	73,715	79,004	84,726	90,921
TOTAL EXPENSES		625,678	671,940	751,159	825,296	906,938	997,317	1,097,577	1,208.898

	1989	1990	1991	1992	1993	1994	1995
Other Income - AFC	1,719	3,032	4,028	5,911	5,718	4,342	3,262
NET INCOME							
Before Tax and Interest:	(52.948)	(48.464)	(18.909)	27,773	98,028	147,976	127,038
Less: Interest Charges	(3,662)	(9,385)	(13,698)	(19,754)	(27,128)	(32,899)	(36,224)
Less: Income Tax	23,946	24,470	13,793	(3.392)	(29,990)	(48,677)	(38,414)
AFTER TAX INCOME	(32,664)	(33,379)	(18.814)	4.627	40,909	66,399	52,399
Def.tax incld. in Income Tax reported above (not paid)	2,068	3.602	4,448	6.311	7,749	8.113	7.640
REAL CAPITAL EXP.'S (1987$)	141,971	83,271	87,625	142,149	139,876	102,591	74,106
CAPITAL EXPENDITURES	147,650	88,334	94,812	156,883	157,463	117,800	86,793
LOANS	69,746	39,278	42,873	72,468	67,996	41,922	21,424
DIVIDENDS OR CONTRIBUTIONS	(102,410)	(72,657)	(61,687)	(67,841)	(27,087)	24,478	30,975
GROSS PLANT TARGET (REAL)	110,483	204,947	270,791	410,551	568,645	688,154	772,148
REQUIRED INCREMENT (REAL)		61,323	41,038	89,451	100,040	74,593	52,214
GROSS PLANT IN SERVICE	114,902	214,420	285,139	438,297	614,986	751,201	848,845
ACCUM. DEPRECIATION	6,894	19,759	36,868	63,166	100,065	145,137	196,067
NET PLANT IN SERVICE	108,008	194,661	248,271	375,132	514,922	606,064	652,778
PLANT UNDER CONSTRUCTION	34,467	26,314	54,435	64,072	50,563	36,491	28,902
WORKING CAPITAL	(914)	2,744	11,207	25,957	43,416	58,302	69,666
TOTAL ASSETS	141,560	223,719	313,913	465,160	608,901	700,857	751,345
DEBT	69,746	109,024	151,897	224,365	292,361	334,283	355,707
DEFERRED TAXES	2,068	5,671	10,119	16,430	24,179	32,292	39,932
EQUITY	69,746	109,024	151,897	224,365	292,361	334,283	355,707
D/(E+D) RATIO	0.500	0.500	0.500	0.500	0.500	0.500	0.500
NET CASH FLOW	(102,410)	(72,657)	(61,687)	(67,841)	(27,087)	24,478	30,975
Internal Rate of Return:	ERR	-170.95%	ERR	-188.02%	ERR	-63.02%	-38.81%
- including terminal value:							
over 15 years:	15.59%						
over 10 years:	13.00%						
Estimated plant replacement value:							
						0.33	
Net present value:							
over 15 years at 15 %:	12,123						
over 10 years at 13 %:	41						
RETURN ON EQUITY:	-46.83%	-30.62%	-12.39%	2.06%	13.99%	19.86%	14.73%

	1996	1997	1998	1999	2000	2001	2002	2003
Other Income - AFC	2,756	2,633	2,705	2,870	3,086	3.333	3,608	3.907
NET INCOME								
Before Tax and Interest:	143,905	183,813	193,152	213.530	234,296	255.507	277,088	298,885
Less: Interest Charges	(37,939)	(38,932)	(39,721)	(40,553)	(41,546)	(42,703)	(43,996)	(45,445)
Less: Income Tax	(44,824)	(61,285)	(64,902)	(73,170)	(81,533)	(90,016)	(98,598)	(107,205)
AFTER TAX INCOME	61,142	83,596	88,530	99,808	111,217	122.788	134,494	146,235
Def.tax incld. in Income Tax reported above (not paid)	6,672	5,391	3,855	2,064	0	0	0	0
REAL CAPITAL EXP.'S (1987$)	60,748	56,730	57,093	59,390	62,591	66,291	70,337	74,688
CAPITAL EXPENDITURES	72,571	69,126	70,961	75,293	80,937	87,436	94,629	102,491
LOANS	11,238	7,677	7,342	8,502	10,418	11,619	13,018	14,582
DIVIDENDS OR CONTRIBUTIONS	49,904	75,919	81,188	91,306	100,799	111,170	121,476	131,653
GROSS PLANT TARGET (REAL)	837,823	897,071	955,684	1,016,222	1,079,847	1,147,163	1,218,561	1,294,359
REQUIRED INCREMENT (REAL)	40,998	37,192	36,914	38,182	40,153	42,491	45,072	47,850
GROSS PLANT IN SERVICE	926,725	998,393	1,070,714	1,146,905	1,228,584	1,316,730	1,412,092	1,515,353
ACCUM. DEPRECIATION	251,671	311,575	375,817	444,632	518,347	597,351	682,076	772,997
NET PLANT IN SERVICE	675,054	686,819	694,897	702,273	710,237	719,380	730,016	742,356
PLANT UNDER CONSTRUCTION	26,349	26,440	27,785	29,757	32,101	34,724	37,599	40,735
WORKING CAPITAL	79,090	87,979	97,095	106,815	117,344	128,816	141,342	155,028
TOTAL ASSETS	780,493	801,238	819.777	838,846	859,683	882,920	908.956	938,119
DEBT	366,945	374,622	381,964	390.466	400,884	412,503	425,521	440,103
DEFERRED TAXES	46,604	51,995	55,850	57,914	57,914	57,914	57,914	57.914
EQUITY	366,945	374,622	381,964	390,466	400,884	412,503	425,521	440,103
D/(E+D) RATIO	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
NET CASH FLOW	49,904	75,919	81,188	91,306	100,799	111,170	121,476	131,653
Internal Rate of Return:	-22.23%	-10.57%	-3.78%	0.97%	4.43%	7.04%	9.06%	10.64%
- including terminal value:			13.00%					15.59%
over 15 years:								
over 10 years:								
Estimated plant replacement value:			$683,095					$773.326
Net present value:								
over 15 years at 15 %:								
over 10 years at 13 %:								
RETURN ON EQUITY:	16.66%	22.31%	23.18%	25.56%	27.74%	29.77%	31.61%	33.23%

EXHIBIT B-1B

FACILITY BASED CARRIER

REBALANCED RATES

1995 MINUTES (orig): 7,991 million
CONTRIBUTION PAYMENT: 3.71 cents/min.
COMPET'R RATE DISCOUNT: 25.00%

INTEREST RATE 10.50%

20.00% Telco loss
33,140 Mminutes(Telcos)
0.315 $/min.(Telcos)
ROE: 9.55%

! All financial data in '000 $!
! unless otherwise noted !

	1989	1990	1991	1992	1993	1994	1995
INFLATION (CAPITAL EXP.)	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
INFL'N FACTOR, CAP. EXP. 1987$	1.040	1.061	1.082	1.104	1.126	1.148	1.171
INFLATION (OPERATING EXP.)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
INFL'N FACTOR, OP. EXP. 1987$	1.100	1.155	1.213	1.273	1.337	1.404	1.474
MINUTES - ORIGINATING (millions)	237	650	1,598	3,239	5,162	6,779	7,991
MINUTES - ACCESS (millions)	474	1,300	3,197	6,478	10,323	13,557	15,982
CONTRIBUTION PER MINUTE $	0.037	0.037	0.037	0.037	0.037	0.037	0.037
MTS/WATS RATE - TELCOS $	0.306	0.307	0.309	0.310	0.312	0.313	0.315
MTS/WATS RATE OF COMPETITOR $	0.229	0.230	0.232	0.233	0.234	0.235	0.236
CONTRIBUTION PAYMENT	17,602	48.223	118,590	240,319	382,998	502,976	592,921
PCT OF ULTIMATE MARKET SHARE	4.7%	11.9%	26.9%	50.0%	73.1%	88.1%	95.3%
GROWTH OF ACCESS MINUTES		2.740	2.459	2.026	1.594	1.313	1.179
REVENUES AND OUTPAYMENTS							
Customer Billings	55,073	151,641	374,792	763,318	1,222,619	1,613,683	1,911.810
Less: Uncollectibles	(551)	(1,516)	(3,748)	(7,633)	(12,226)	(16.137)	(19,118)
Cost Re-imbursement to Telcos	(40,539)	(59,585)	(104,055)	(183,103)	(278,900)	(363.417)	(430,907)
Contribution Payments	(17,602)	(48,223)	(118,590)	(240,319)	(382,998)	(502,976)	(592,921)
International Outpayments	(1,926)	(5,307)	(13,118)	(26,716)	(42,792)	(56,479)	(66,913)
TOTAL NET REVENUES	(5,546)	37,009	135,281	305,547	505,703	674.675	801,950
EXPENSES							
Maintenance	1,190	1,917	3,623	6,729	10,665	14,376	17,597
Leased Lines and Services:							
Inter-city Leases	949	2,600	6,393	12,955	20,647	27,115	31,963
Local Leases (incl. in Cost Reimb'nt)	0	0	0	0	0	0	0
WATS	0	0	0	22,434	21,094	22,423	87,298
Operations	24,109	46,003	80,597	147,342	221,556	291,655	352,697
General Administration	12,813	17,266	27,331	45,410	68,248	89,821	108,607
Employee Benefits	1,067	1,848	3,347	5,585	8,413	11,084	13,409
Sub-Total	40,128	70,434	129,291	240,455	350,623	456,474	611,572
Depreciation Expense	8,012	14,203	18,975	30,837	43,271	52,847	59,711
TOTAL EXPENSES	48,141	84,637	148,266	271,292	393,894	509,320	671,283

		1996	1997	1998	1999	2000	2001	2002	2003
1995 MINUTES (orig):	7.991								
CONTRIBUTION PAYMENT:	3.71								
RATE DISCOUNT:	25.00%								
INTEREST RATE	10.50%								
INFLATION (CAPITAL EXP.)		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
INFL'N FACTOR, CAP. EXP. 1987$		1.195	1.219	1.243	1.268	1.293	1.319	1.345	1.372
INFLATION (OPERATING EXP.)		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
INFL'N FACTOR, OP. EXP. 1987$		1.548	1.625	1.706	1.792	1.881	1.975	2.074	2.176
MINUTES - ORIGINATING		8,979	9.900	10.837	11.831	12,903	14.067	15.334	16.715
MINUTES - ACCESS		17,958	19,800	21,673	23,661	25,805	28.134	30.668	33,429
CONTRIBUTION PER MINUTE		0.037	0.037	0.037	0.037	0.037	0.037	0.037	0.037
MTS/WATS RATE - TELCOS		0.321	0.322	0.324	0.325	0.327	0.329	0.330	0.332
MTS/WATS RATE OF COMPETITOR		0.240	0.242	0.243	0.244	0.245	0.247	0.248	0.249
CONTRIBUTION PAYMENT		666,257	734,572	804,085	877,825	957,381	1,043,766	1,137,794	1.240.231
PCT OF ULTIMATE MARKET SHARE		98.2%	99.3%	99.8%	99.9%	100.0%	100.0%	100.0%	100.0%
GROWTH OF ACCESS MINUTES		1.124	1.103	1.095	1.092	1.091	1.090	1.090	1.090
REVENUES AND OUTPAYMENTS									
Customer Billings		2,159,017	2,392,294	2.631,773	2.887,480	3.164.922	3,467,749	3.799,042	4.161,780
Less: Uncollectibles		(21,590)	(23,923)	(26,318)	(28,875)	(31,649)	(34,677)	(37,990)	(41,618)
Cost Re-imbursement to Telcos		(489,509)	(546,761)	(606,979)	(672,493)	(744,739)	(824,818)	(913.751)	(1,012.586)
Contribution Payments		(666,257)	(734,572)	(804,085)	(877,825)	(957,381)	(1,043,766)	(1,137,794)	(1.240,231)
International Outpayments		(75,566)	(83,730)	(92,112)	(101,062)	(110,772)	(121,371)	(132,966)	(145.662)
TOTAL NET REVENUES		906,095	1.003,308	1,102,278	1,207,234	1,320,381	1.443,116	1.576,540	1.721,683
EXPENSES									
Maintenance		20,618	23,744	27,169	30,245	33,648	37,432	41,646	46,344
Leased Lines and Services:									
Inter-city Leases		31,963	31,963	31,963	31,963	31,963	31,963	31,963	31,963
Local Leases (incl. in Cost Reimb'nt)		0	0	0	0	0	0	0	0
WATS		93,277	61,961	63,999	69,869	76,201	83.076	90.560	98.713
Operations		410,107	469.516	534,557	592,393	656,319	727,330	806.362	894.393
General Administration		126,276	144,560	164,578	182,376	202,048	223.899	246.220	275.309
Employee Benefits		15.596	17,859	20.337	22,540	24,976	27,682	30.694	34.049
Sub-Total		697,838	749.604	842,604	929.386	1.025.155	1.131,363	1.249,446	1.380,772
Depreciation Expense		65,185	70,223	75,307	80,663	86,405	92,601	99,305	106,563
TOTAL EXPENSES		763,023	819,827	917,911	1,010,049	1.111.560	1,223.984	1.348.750	1,487.335

	1989	1990	1991	1992	1993	1994	1995
	----	----	----	----	----	----	----
Other Income - AFC	1,782	3,251	4,961	7,258	6,721	5,089	3.822
NET INCOME							
Before Tax and Interest:	(51,904)	(44,297)	(8,024)	41,513	118.530	170.443	134,489
Less: Interest Charges	(4.157)	(10.494)	(15,463)	(23,039)	(32,002)	(38.753)	(42.635)
Less: Income Tax	23.714	23,176	9.935	(7,815)	(36,601)	(55,705)	(38,854)
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AFTER TAX INCOME	(32,347)	(31,614)	(13,552)	10.660	49,926	75.985	53.000
	======	======	======	======	======	======	======
Def.tax incld. in Income Tax reported above (not paid)	2,404	3.977	4,933	7.401	9.087	9.512	8.957
REAL CAPITAL EXP.'S (1987$)	161,045	88,260	106,435	177,493	163,723	120.177	86,821
CAPITAL EXPENDITURES	167,487	93,626	115.164	195,891	184,300	137,993	101,685
LOANS	79,177	41,529	53,130	91,163	79,573	49,085	24,933
DIVIDENDS OR CONTRIBUTIONS	(111,524)	(73,143)	(66,682)	(80,504)	(29,646)	26,980	28,067
GROSS PLANT TARGET (REAL)	128,400	226,335	300,386	480,783	666,223	806.241	904,647
REQUIRED INCREMENT (REAL)		63.576	46,303	115,679	117,050	87,375	61,173
GROSS PLANT IN SERVICE	133,536	236,711	316,247	513,942	721,188	880,777	995,177
ACCUM. DEPRECIATION	8,012	22,215	41,190	72,026	115,297	168,144	227,855
NET PLANT IN SERVICE	125,524	214,496	275,057	441,916	605,890	712,633	767,322
PLANT UNDER CONSTRUCTION	35,733	29,435	70,025	75,479	59,262	42,754	33,861
WORKING CAPITAL	(499)	3,861	13,903	31,318	51,793	69,081	82,107
TOTAL ASSETS	160,758	247,792	358,985	548,712	716,945	824,468	883.290
DEBT	79,177	120,706	173,836	264,999	344,572	393,577	418,510
DEFERRED TAXES	2,404	6,380	11,314	18,715	27,802	37,314	46,271
EQUITY	79,177	120,706	173,836	264,999	344,572	393,577	418.510
D/(E+D) RATIO	0.500	0.500	0.500	0.500	0.500	0.500	0.500
NET CASH FLOW	(111,524)	(73,143)	(66,682)	(80,504)	(29,646)	26,980	28,067
Internal Rate of Return:	ERR	-165.58%	ERR	-189.23%	ERR	-63.38%	-41.37%
- including terminal value:							
over 15 years:	14.14%						
over 10 years:	13.02%						
Estimated plant replacement value:							
Net present value:							
over 15 years at 15 %:	(18,530)						
over 10 years at 13 %:	415						
RETURN ON EQUITY:	-40.85%	-26.19%	-7.80%	4.02%	14.49%	19.31%	12.66%

	1996	1997	1998	1999	2000	2001	2002	2003
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Other Income - AFC	3,229	3,085	3,169	3,363	3.615	3,905	4.227	4.578
NET INCOME								
Before Tax and Interest:	146,301	186,566	187,537	200,547	212.436	223.037	232.016	238.925
Less: Interest Charges	(44,624)	(45,763)	(46,658)	(47,599)	(48,725)	(50.036)	(51,500)	(53,139)
Less: Income Tax	(43,010)	(59,560)	(59,592)	(64,697)	(69,250)	(73,180)	(76,358)	(78,588)
	------	------	------	------	------	------	------	------
AFTER TAX INCOME	58,668	81,244	81,287	88,251	94,462	99,822	104,158	107,199
	======	======	======	======	======	======	======	======
Def.tax incld. in Income Tax reported above (not paid)	7,822	6,320	4,518	2,420	0	0	0	0
REAL CAPITAL EXP.'S (1987$)	71,172	66,464	66,891	69,582	73,332	77,666	82,407	87,504
CAPITAL EXPENDITURES	85,024	80,988	83,138	88,213	94,826	102,439	110,867	120,078
LOANS	12,954	8,742	8,309	9,622	11,814	13,160	14,731	16,485
DIVIDENDS OR CONTRIBUTIONS	45,714	72,501	72,978	78,629	82,647	86,662	89,427	90,714
GROSS PLANT TARGET (REAL)	981,592	1,051,007	1,119,678	1,190,604	1,265,147	1,344,014	1,427,664	1,516,468
REQUIRED INCREMENT (REAL)	48,033	43,574	43,249	44,734	47,043	49,783	52,806	56,061
GROSS PLANT IN SERVICE	1,086,420	1,170,387	1,255,118	1,344,383	1,440,078	1,543,350	1,655,075	1,776,057
ACCUM. DEPRECIATION	293,040	363,263	438,570	519,233	605,638	698,239	797,543	904,107
NET PLANT IN SERVICE	793,380	807,124	816,548	825,150	834,441	845,111	857,532	871,950
PLANT UNDER CONSTRUCTION	30,871	30,977	32,553	34,864	37,610	40,683	44,051	47,725
WORKING CAPITAL	92,769	102,723	112,860	123,611	135,203	147,779	161,453	176,330
TOTAL ASSETS	917,020	940,824	961,961	983,625	1,007,253	1,033,573	1,063,036	1,096,005
DEBT	431,463	440,206	448,515	458,137	469,951	483,111	497,842	514,327
DEFERRED TAXES	54,093	60,413	64,931	67,351	67,351	67,351	67,351	67,351
EQUITY	431,463	440,206	448,515	458,137	469,951	483,111	497,842	514,327
D/(E+D) RATIO	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
NET CASH FLOW	45,714	72,501	72,978	78,629	82,647	86,662	89,427	90,714
Internal Rate of Return:	-24.95%	-12.88%	-6.22%	-1.61%	1.69%	4.15%	6.02%	7.45%
- including terminal value:			13.02%					14.14%
over 15 years:								
over 10 years:								
Estimated plant replacement value:			$685,195					$842,079
Net present value:								
over 15 years at 15 %:								
over 10 years at 13 %:								
RETURN ON EQUITY:	13.60%	18.46%	18.12%	19.26%	20.10%	20.66%	20.92%	20.84%

MTS/WATS rate of Telcos	An input parameter, transferred from the Telco model.
MTS/WATS rate of competitor	The rate above, reduced by the discount (which is an input parameter for the scenario).
Contribution payment	This is the number of access minutes times the contribution per minute, shown earlier.
Percent of ultimate market share	The factor is used for calculating minutes. It follows the shape of a logistic curve with market shares changing from 5 to 95 percent from 1989 to 1995.
Growth of access minutes	A derived factor, showing the ratio of one year's traffic to the preceding year's traffic.
Customer billings	Originated minutes times the competitor's rate.
Uncollectibles	1.0 percent of the above.
Cost Re-imbursement to Telcos	This item consists of two parts: - The first part re-imburses the Telcos for equipping their switches with the facilities required by Automatic Number Identification. This amount is annualized over 15 years and charged annually, regardless of traffic volume. Under a market penetration of 10 percent a D-type access is assumed (950-0XX); under a 20 percent penetration F-type (equal) access is assumed. The cost cost of the latter is almost forty times greater than the cost of the former. - The second part of this item is a payment by the competitor to the Telcos for the trunks that connect the competitor's Central Offices to the Telcos' Central Offices. Instead of the customary

flat monthly charges for the trunks, a measured message rate was assumed, based on minutes of use. The message rate used in the analysis was 2.1 cents per billed originated minute and 2.1 cents per billed terminated minute (or 4.2 cents per originated minute) in 1986 dollars. This rate was assumed to increase at an annual rate of 2 percent, reflecting the Telcos' cost increases. This part of the payment is intended to reimburse the Telcos for the local part of the end-to-end toll message path. The costs of that local part (including switching and interoffice trunking) are normally covered from toll revenue which, in the case of a subscriber using a competitor's services, would flow to the competitor.

Thus, the telephone company wants re- imbursement for the local portion of the long distance service which is still provided by the telephone companies.

The payments above are distinct from the contribution payments defined earlier. The purpose of the contribution payments is to re-imburse the Telcos for the lost contribution that toll traffic makes toward the telephone companies' common costs (in particular to the costs of the subscriber loops). The 2.1 cent measured message rate covers only switching and trunking and does not include the cost of the subscriber loops, i.e., there is no double counting in the definition of the model.

Contribution payments	Same as shown earlier.
Overseas outpayments	Payments to overseas carriers: 3.5 percent of customer billings.

The expenses below are related to the case in which the competitor offers services in all Provinces. If services are only offered in Bell and B.C.Tel territories, the constant term of the cost equations should be reduced by one-third. All maintenance, operations and administration expenses are inflated by the rate of general inflation. These expenses are then reduced by 2.5 percent annually after Year Ten to reflect productivity of improvements.

Maintenance expenses	$0.75 million + 0.07 cents per access minute. The entire amount is inflated by the general inflation factor.
Intercity leases	0.4 cents per originated minute.
WATS payments	Figures derived from CNCP's "Application for Review" to the CRTC, December 1985.
Operations	$31.5 million + 1.3 cents per access minute. The entire amount is inflated by the general inflation factor. The expenses in the first two years of operation are lower, as geographic coverage is built up gradually during these years.
General administration	$9.75 million + 0.4 cents per access minute. The amount is inflated by the general inflation factor.
Employee benefits	2.8 percent of maintenance, operations and administration expenses.
Depreciation expense	6 percent of gross assets.
Allowance for funds used during construction (AFC)	Plant under construction (see later) times the interest rate.
Interest	Debt (see later) times interest rate.
Income tax	42.3 percent of pre-tax income. Negative income tax is allowed, implying that the competitor has some other business against which tax losses can be applied.
Deferred taxes	These reflect the differences between book depreciation and the capital cost allowances used for tax purposes. The amount depends on depreciation and

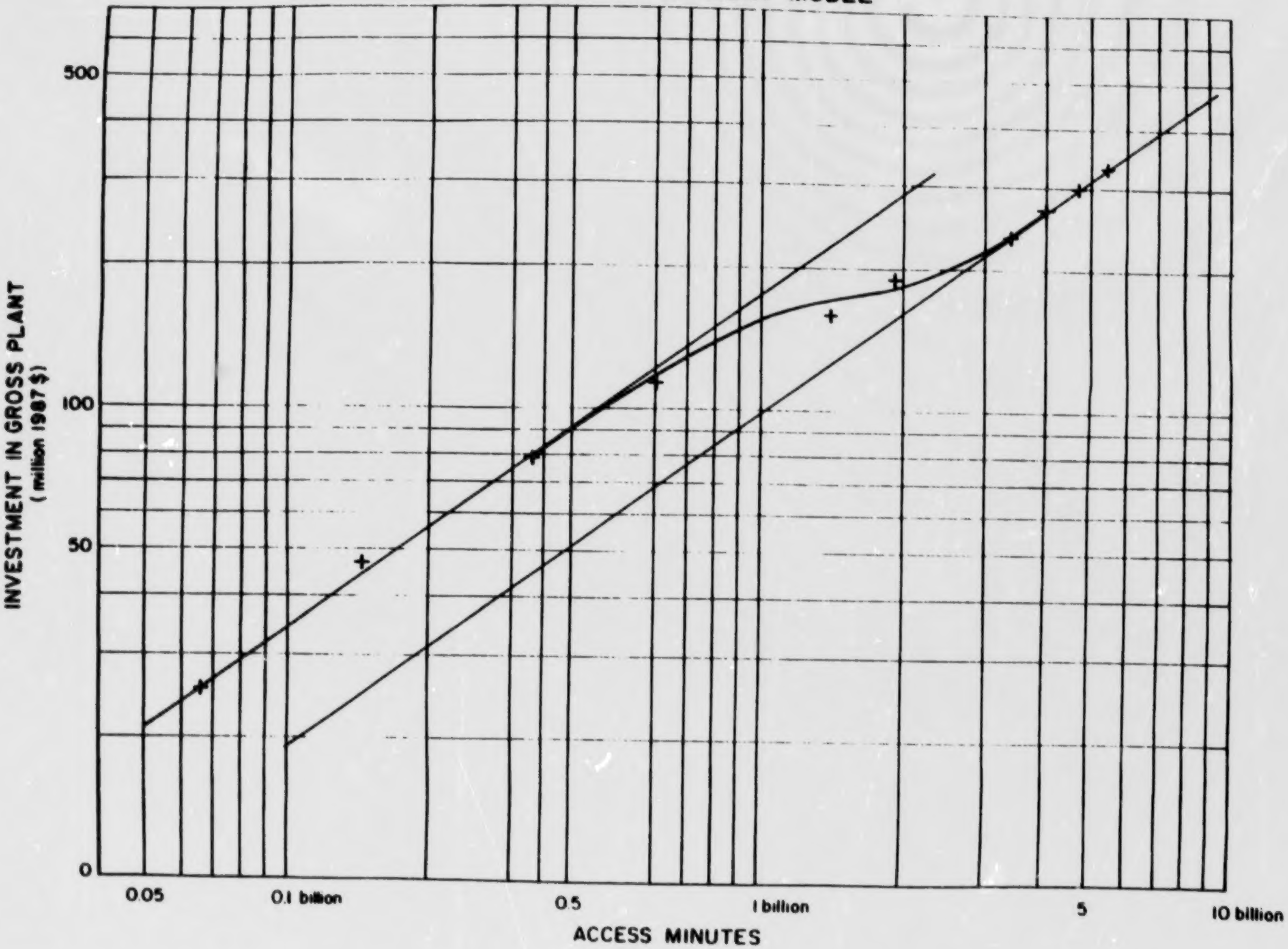
is related to it by using factors indicated in the CNCP Application.

The following are cash flow items related to capital investments or financing and balance sheet items.

Real capital expenditures	See Exhibit B-2. The curve was derived from data provided by CNCP Telecommunications. The straight lines represent an investment elasticity of 0.7. The transition from one line to the other represents a program of pre-building system capacity. Exhibit B-2 applies to the Bell/B.C.Tel case: the investments shall be multiplied by 1.3 to represent the all-Canada case.
Capital expenditures	Same as above, in current dollars.
Loans	Calculated so as to achieve a 50/50 debt/equity ratio.
Dividends or contributions	This is the residual cash flow required from or paid to the shareholders of the company.
Gross plant target and Required increment	Auxilliary figures used in calculations.
Gross plant in service	Gross plant investment in current dollars, accumulated from the capital expenditures shown earlier. Note that no retirements are assumed during the planning period. Note also that some of the capital expenditures go first into "Plant under construction" and are moved into "Plant in service" in the next year.
Accumulated depreciation	The accumulation of depreciation expenses.

EXHIBIT B-2

COMPETITOR'S INVESTMENT MODEL



Net plant in service	Gross plant less accumulated depreciation.
Plant under construction	Assumed to be one-third of the incremental plant required next year.
Working capital	10 percent of customer billings net of payments to Telcos.
Total assets	Sum of the three lines above.

The remaining lines in the worksheet are self-explanatory.

RESELLERS' MODEL

The resellers' model differs from the FBC model above in these respects:

(i) Capital costs, maintenance and operating costs are 40 percent of those in the FBC model.

(ii) The cost of leased inter-exchange lines varies from 60 percent to 36 percent of the costs of using the Telco's toll service for the same traffic (declines from 60 to 36 percent over 7 years). These costs include WATS charges.

(iii) Interconnnection (cost re-imbursement) charges to the Telcos are 75 percent of those paid by the FBC (one half of the private lines go directly to Telco central offices without local interconnecting trunks).

(iv) Type D access throughout.

An example of the model output is shown in Exhibits B-3A and B-3B.

EXHIBIT B-3A

STATUS QUO RATES

RESELLER

1995 MINUTES (orig): 6,373 million
CONTRIBUTION PAYMENT: 2.74 cents/min.
COMPET"R RATE DISCOUNT: 25.00%

INTEREST RATE 10.50%

20.00% Telco loss
26,430 Mminutes(Telcos)
0.446 $/min.(Telcos)
ROE: 111.18%

! All financial data in '000 $!
! unless otherwise noted !

	1989	1990	1991	1992	1993	1994	1995
INFLATION (CAPITAL EXP.)	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
INFL'N FACTOR, CAP. EXP. 1987$	1.040	1.061	1.082	1.104	1.126	1.148	1.171
INFLATION (OPERATING EXP.)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
INFL'N FACTOR, OP. EXP. 1987$	1.100	1.155	1.213	1.273	1.337	1.404	1.474
MINUTES - ORIGINATING (millions)	189	518	1,275	2,583	4,117	5,406	6,373
MINUTES - ACCESS (millions)	378	1,037	2,549	5,166	8,233	10,812	12,746
CONTRIBUTION PER MINUTE $	0.027	0.027	0.027	0.027	0.027	0.027	0.027
MTS/WATS RATE - TELCOS $	0.433	0.435	0.437	0.439	0.442	0.444	0.446
MTS/WATS RATE OF COMPETITOR $	0.325	0.326	0.328	0.330	0.331	0.333	0.335
CONTRIBUTION PAYMENT	10,368	28,404	69,851	141,550	225,589	296,257	349,235
PCT OF ULTIMATE MARKET SHARE	4.7%	11.9%	26.9%	50.0%	73.1%	88.1%	95.3%
GROWTH OF ACCESS MINUTES		2.740	2.459	2.026	1.594	1.313	1.179
REVENUES AND OUTPAYMENTS							
Customer Billings	61,409	169,085	417,906	851,127	1,363,264	1,799,315	2,131,736
Less: Uncollectibles	(614)	(1,691)	(4,179)	(8,511)	(13,633)	(17,993)	(21,317)
Cost Re-imbursement to Telcos	(7,129)	(18,473)	(45,120)	(92,402)	(149,703)	(200,256)	(240,625)
Contribution Payments	(10,368)	(28,404)	(69,851)	(141,550)	(225,589)	(296,257)	(349,235)
International Outpayments	(2,149)	(5,918)	(14,627)	(29,789)	(47,714)	(62,976)	(74,611)
TOTAL NET REVENUES	41,149	114,599	284,129	578,874	926,625	1,221,832	1,445,948
EXPENSES							
Maintenance	447	682	1,229	2,224	3,483	4,671	5,703
Leased Lines and Services:							
Inter-City Leases	49,127	126,250	289,748	544,721	799,782	959,635	1,023,233
Local Leases (incl. in Cost Reimb'nt)	0	0	0	0	0	0	0
WATS (incl. in Inter-city Leases)	0	0	0	0	0	0	0
Operations	9,094	17,141	31,357	50,252	74,090	96,623	116,275
General Administration	12,390	16,050	24,191	38,729	57,069	74,406	89,527
Employee Benefits	614	948	1,590	2,554	3,770	4,920	5,922
Sub-Total	71,672	161,071	348,116	638,480	938,194	1,140,254	1,240,660
Depreciation Expense	2,758	5,146	6,843	10,519	14,760	18,029	20,372
TOTAL EXPENSES	74,429	166,217	354,959	649,000	952,954	1,158,283	1,261,033

		1996	1997	1998	1999	2000	2001	2002	2003
1995 MINUTES (orig):	6,373								
CONTRIBUTION PAYMENT:	2.74								
RATE DISCOUNT:	25.00%								
INTEREST RATE	10.50%								
INFLATION (CAPITAL EXP.)		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
INFL'N FACTOR, CAP. EXP. 1987$		1.195	1.219	1.243	1.268	1.293	1.319	1.345	1.372
INFLATION (OPERATING EXP.)		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
INFL'N FACTOR, OP. EXP. 1987$		1.548	1.625	1.706	1.792	1.881	1.975	2.074	2.178
MINUTES - ORIGINATING		7,161	7,895	8,643	9,435	10,290	11,219	12,229	13,330
MINUTES - ACCESS		14,322	15,791	17,285	18,870	20,580	22,437	24,459	26,661
CONTRIBUTION PER MINUTE		0.027	0.027	0.027	0.027	0.027	0.027	0.027	0.027
MTS/WATS RATE - TELCOS		0.448	0.450	0.453	0.455	0.457	0.460	0.462	0.464
MTS/WATS RATE OF COMPT'R		0.336	0.338	0.340	0.341	0.343	0.345	0.346	0.348
CONTRIBUTION PAYMENT		392,431	432,669	473,613	517,046	563,905	614,787	670,170	730,506
PCT OF ULTIMATE MARKET SHARE		98.2%	99.3%	99.8%	99.9%	100.0%	100.0%	100.0%	100.0%
GROWTH OF ACCESS MINUTES		1.124	1.103	1.095	1.092	1.091	1.090	1.090	1.090
REVENUES AND OUTPAYMENTS									
Customer Billings		2,407,381	2,667,493	2,934,521	3,219,653	3,529,001	3,866,664	4,236,068	4,640,533
Less: Uncollectibles		(24,074)	(26,675)	(29,345)	(32,197)	(35,290)	(38,667)	(42,361)	(46,405)
Cost Re-imbursement to Telcos		(275,677)	(309,922)	(345,942)	(385,128)	(428,342)	(476,241)	(529,436)	(588,553)
Contribution Payments		(392,431)	(432,669)	(473,613)	(517,046)	(563,905)	(614,787)	(670,170)	(730,506)
International Outpayments		(84,258)	(93,362)	(102,708)	(112,688)	(123,515)	(135,333)	(148,262)	(162,419)
TOTAL NET REVENUES		1,630,941	1,804,865	1,982,913	2,172,594	2,377,950	2,601,637	2,845,839	3,112,650
EXPENSES									
Maintenance		6,671	7,673	8,771	10,005	11,406	13,003	14,827	16,912
Leased Lines and Services:									
Inter-City Leases		1,155,543	1,280,397	1,408,570	1,545,433	1,693,921	1,855,999	2,033,312	2,227,456
Local Leases (incl. in Cost Reimb'nt)		0	0	0	0	0	0	0	0
WATS (incl. in Inter-city Leases)		0	0	0	0	0	0	0	0
Operations		134,777	153,927	174,883	198,396	225,047	255,375	289,945	329,381
General Administration		103,764	118,499	134,624	148,898	164,669	182,180	201,662	223,354
Employee Benefits		6,866	7,843	8,912	10,004	11,231	12,616	14,180	15,950
Sub-Total		1,407,621	1,568,338	1,735,759	1,912,737	2,106,274	2,319,173	2,553,927	2,813,053
Depreciation Expense		22,241	23,961	25,697	27,526	29,486	31,602	33,890	36,368
TOTAL EXPENSES		1,429,863	1,592,300	1,761,456	1,940,263	2,135,760	2,350,774	2,587,817	2,849,421

	1989	1990	1991	1992	1993	1994	1995
Other Income - AFC	688	1.213	1,611	2,365	2,287	1,737	1,305
NET INCOME							
Before Tax and Interest:	(32.593)	(50,405)	(69.219)	(67,761)	(24,041)	65,286	186,220
Less: Interest Charges	(1,584)	(4,150)	(6,395)	(9,810)	(14,133)	(17,814)	(20,252)
Less: Income Tax	14,457	23,077	31.985	32,813	16,148	(20,081)	(70,204)
AFTER TAX	(19,720)	(31,478)	(43,629)	(44,758)	(22,026)	27,391	95,763
Def.tax incld. in Income Tax reported above (not paid)	827	1,441	1,779	2,525	3,100	3,245	3.056
REAL CAPITAL EXP.'S (1987$)	56,788	33,308	35,050	56,859	55,950	41,037	29,642
CAPITAL EXPENDITURES	59,060	35,334	37,925	62,753	62,985	47,120	34,717
LOANS	30,169	18,706	24,058	40,991	41,350	28,770	17,669
DIVIDENDS OR CONTRIBUTIONS	(49,889)	(50,184)	(67,687)	(85,749)	(63,377)	(1,379)	78,094
GROSS PLANT TARGET (REAL)	44,193	81,979	108,317	164,221	227,458	275,262	308,859
REQUIRED INCREMENT (REAL)		24,529	16,415	35,780	40,016	29,837	20,886
GROSS PLANT IN SERVICE	45,961	85,768	114,056	175,319	245,995	300,480	339,538
ACCUM. DEPRECIATION	2,758	7,904	14,747	25,266	40,026	58,055	78,427
NET PLANT IN SERVICE	43,203	77,864	99,308	150,053	205,969	242,426	261,111
PLANT UNDER CONSTRUCTION	13,787	10,526	21,774	25,629	20,225	14,596	11,561
WORKING CAPITAL	4,176	11,629	28,831	58,739	94,026	123,983	146,726
TOTAL ASSETS	61,166	100,019	149,913	234,420	320,220	381,005	419,398
DEBT	30,169	48,875	72,933	113,924	155,274	184,044	201,713
DEFERRED TAXES	827	2,268	4,047	6,572	9,672	12,917	15,973
EQUITY	30,169	48,875	72,933	113,924	155,274	184,044	201,713
D/(E+D) RATIO	0.500	0.500	0.500	0.500	0.500	0.500	0.500
NET CASH FLOW	(49,889)	(50,184)	(67,687)	(85,749)	(63,377)	(1,379)	78,094
Internal Rate of Return:	ERR	-200.59%	ERR	-213.93%	ERR	-102.24%	-33.54%
- including terminal value:							
over 15 years:	17.97%						
over 10 years:	12.93%						
Estimated plant replacement value:							
Net present value:							
over 15 years at 15 %:	48,356						
over 10 years at 13 %:	(765)						
RETURN ON EQUITY:	-65.36%	-64.41%	-59.82%	-39.29%	-14.19%	14.88%	47.48%

	1996	1997	1998	1999	2000	2001	2002	2003
Other Income - AFC	1,102	1,053	1,082	1,148	1,234	1,333	1,443	1,563
NET INCOME								
Before Tax and Interest:	202,180	213,619	222,539	233,480	243,424	252,196	259,465	264,792
Less: Interest Charges	(21,810)	(22,971)	(24,035)	(25,150)	(26,387)	(27,762)	(29,274)	(30,940)
Less: Income Tax	(76,297)	(80,644)	(83,967)	(88,124)	(91,807)	(94,935)	(97,371)	(98,919)
AFTER TAX	104,074	110,004	114,537	120,206	125,230	129,498	132,820	134,932
Def.tax incld. in Income Tax reported above (not paid)	2,669	2,157	1,542	826	0	0	0	0
REAL CAPITAL EXP.'S (1987$)	24,299	22,692	22,837	23,756	25,037	26,516	28,135	29,875
CAPITAL EXPENDITURES	29,029	27,651	28,384	30,117	32,375	34,974	37,851	40,996
LOANS	11,998	10,119	10,150	11,083	12,484	13,706	15,097	16,638
DIVIDENDS OR CONTRIBUTIONS	92,076	99,884	104,387	109,123	112,746	115,792	117,723	118,294
GROSS PLANT TARGET (REAL)	335,129	358,828	382,274	406,489	431,939	458,865	487,425	517,743
REQUIRED INCREMENT (REAL)	16,399	14,877	14,766	15,273	16,061	16,997	18,029	19,140
GROSS PLANT IN SERVICE	370,690	399,357	428,286	458,762	491,434	526,692	564,837	606,141
ACCUM. DEPRECIATION	100,668	124,630	150,327	177,853	207,339	238,940	272,830	309,199
NET PLANT IN SERVICE	270,021	274,727	277,959	280,909	284,095	287,752	292,006	296,942
PLANT UNDER CONSTRUCTION	10,540	10,576	11,114	11,903	12,841	13,890	15,040	16,294
WORKING CAPITAL	165,501	183,154	201,226	220,479	241,324	264,030	288,820	315,906
TOTAL ASSETS	446,063	468,458	490,299	513,291	538,259	565,672	595,866	629,142
DEBT	213,711	223,830	233,979	245,063	257,547	271,253	286,350	302,988
DEFERRED TAXES	18,642	20,798	22,340	23,166	23,166	23,166	23,166	23,166
EQUITY	213,711	223,830	233,979	245,063	257,547	271,253	286,350	302,988
D/(E+D) RATIO	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
NET CASH FLOW	92,076	99,884	104,387	109,123	112,746	115,792	117,723	118,294
Internal Rate of Return:	-13.80%	-3.33%	3.05%	7.29%	10.25%	12.37%	13.93%	15.09%
- including terminal value:			12.93%					17.97%
over 15 years:								
over 10 years:								
Estimated plant replacement value:			$394,344					$501,910
Net present value:								
over 15 years at 15 %:								
over 10 years at 13 %:								
RETURN ON EQUITY:	48.70%	49.15%	48.95%	49.05%	48.62%	47.74%	46.38%	44.53%

EXHIBIT B-3B

REBALANCED RATES

RESELLER

1995 MINUTES (orig): 7,991 million
CONTRIBUTION PAYMENT: 0.88 cents/min.
COMPET'R RATE DISCOUNT: 25.00%

20.00% Telco loss
33,140 Mminutes(Telcos)
0.315 $/min.(Telcos)
ROE: 68.09%

! All financial data in '000 $!
! unless otherwise noted !

INTEREST RATE 10.50%

	1989	1990	1991	1992	1993	1994	1995
INFLATION (CAPITAL EXP.)	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
INFL'N FACTOR, CAP. EXP. 1987$	1.040	1.061	1.082	1.104	1.126	1.148	1.171
INFLATION (OPERATING EXP.)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
INFL'N FACTOR, OP. EXP. 1987$	1.100	1.155	1.213	1.273	1.337	1.404	1.474
MINUTES - ORIGINATING (millions)	237	650	1,598	3,239	5,162	6,779	7,991
MINUTES - ACCESS (millions)	474	1,300	3,197	6,478	10,323	13,557	15,982
CONTRIBUTION PER MINUTE $	0.009	0.009	0.009	0.009	0.009	0.009	0.009
MTS/WATS RATE - TELCOS $	0.306	0.307	0.309	0.310	0.312	0.313	0.315
MTS/WATS RATE OF COMPETITOR $	0.229	0.230	0.232	0.233	0.234	0.235	0.236
CONTRIBUTION PAYMENT	4,175	11,438	28,129	57,003	90,846	119,304	140,639
PCT OF ULTIMATE MARKET SHARE	4.7%	11.9%	26.9%	50.0%	73.1%	88.1%	95.3%
GROWTH OF ACCESS MINUTES		2.740	2.459	2.026	1.594	1.313	1.179
REVENUES AND OUTPAYMENTS							
Customer Billings	55,073	151,641	374,792	763,318	1,222,619	1,613,683	1,911,810
Less: Uncollectibles	(551)	(1,516)	(3,748)	(7,633)	(12,226)	(16,137)	(19,118)
Cost Re-imbursement to Telcos	(8,734)	(22,958)	(56,371)	(115,656)	(187,504)	(250,892)	(301,510)
Contribution Payments	(4,175)	(11,438)	(28,129)	(57,003)	(90,846)	(119,304)	(140,639)
International Outpayments	(1,928)	(5,307)	(13,118)	(26,716)	(42,792)	(56,479)	(66,913)
TOTAL NET REVENUES	39,686	110,421	273,426	556,309	889,251	1,170,871	1,383,629
EXPENSES							
Maintenance	476	767	1,449	2,692	4,266	5,750	7,039
Leased Lines and Services:							
Inter-City Leases	44,059	113,225	259,856	488,524	717,270	860,631	917,669
Local Leases (incl. in Cost Reimb'nt)	0	0	0	0	0	0	0
WATS (incl. in Inter-city Leases)	0	0	0	0	0	0	0
Operations	9,644	18,721	35,439	58,937	88,622	116,662	141,079
General Administration	12,813	17,266	27,331	45,410	68,248	89,821	108,607
Employee Benefits	642	1,029	1,798	2,997	4,512	5,943	7,188
Sub-Total	67,633	151,009	325,872	598,559	882,918	1,078,807	1,181,582
Depreciation Expense	3,205	5,681	7,590	12,335	17,309	21,139	23,884
TOTAL EXPENSES	70,838	156,690	333,462	610,893	900,227	1,099,946	1,205,466

		1996	1997	1998	1999	2000	2001	2002	2003
1995 MINUTES (orig):	7,991								
CONTRIBUTION PAYMENT:	0.88								
RATE DISCOUNT:	25.00%								
INTEREST RATE	10.50%								
INFLATION (CAPITAL EXP.)		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
INFL'N FACTOR, CAP. EXP. 1987$		1.195	1.219	1.243	1.268	1.293	1.319	1.345	1.372
INFLATION (OPERATING EXP.)		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
INFL'N FACTOR, OP. EXP. 1987$		1.548	1.625	1.706	1.792	1.881	1.975	2.074	2.178
MINUTES - ORIGINATING		8.979	9,900	10,837	11,831	12,903	14,067	15.334	16.715
MINUTES - ACCESS		17,958	19,800	21,673	23,661	25,805	28,134	30,668	33,429
CONTRIBUTION PER MINUTE		0.009	0.009	0.009	0.009	0.009	0.009	0.009	0.009
MTS/WATS RATE - TELCOS		0.321	0.322	0.324	0.325	0.327	0.329	0.330	0.332
MTS/WATS RATE OF COMPT'R		0.240	0.242	0.243	0.244	0.245	0.247	0.248	0.249
CONTRIBUTION PAYMENT		158,034	174,238	190,726	208,217	227,088	247,578	269,881	294.179
PCT OF ULTIMATE MARKET SHARE		98.2%	99.3%	99.8%	99.9%	100.0%	100.0%	100.0%	100.0%
GROWTH OF ACCESS MINUTES		1.124	1.103	1.095	1.092	1.091	1.090	1.090	1.090
REVENUES AND OUTPAYMENTS									
Customer Billings		2,159,017	2.392,294	2,631,773	2,887,488	3,164,922	3.467,749	3.799.042	4.161,780
Less: Uncollectibles		(21,590)	(23,923)	(26,318)	(28,875)	(31,649)	(34.677)	(37.990)	(41.618)
Cost Re-imbursement to Telcos		(345,461)	(388,400)	(433,564)	(482,699)	(536,883)	(596,943)	(663.643)	(737,769)
Contribution Payments		(158,034)	(174,238)	(190,726)	(208,217)	(227,088)	(247.578)	(269,881)	(294.179)
International Outpayments		(75,566)	(83,730)	(92,112)	(101,062)	(110,772)	(121,371)	(132.966)	(145.662)
TOTAL NET REVENUES		1,558,366	1,722,003	1,889,053	2,066,635	2,258,529	2.467,179	2.694.561	2,942,552
EXPENSES									
Maintenance		8,247	9,498	10.868	12,408	14,158	16,154	18,434	21,035
Leased Lines and Services:									
Inter-City Leases		1,036,328	1,148,301	1,263,251	1,385,994	1,519,162	1,664,519	1.823,540	1.997,654
Local Leases (incl. in Cost Reimb'nt)		0	0	0	0	0	0	0	0
WATS (incl. in Inter-city Leases)		0	0	0	0	0	0	0	0
Operations		164,043	187,806	213,823	243,033	276,163	313.890	356.921	406.037
General Administration		126,276	144,560	164,578	182,376	202.048	223.899	248,220	275.309
Employee Benefits		8,360	9,572	10,900	12,259	13.786	15,510	17,460	19,667
Sub-Total		1,343,254	1,499,737	1,663,419	1,836.070	2,025.318	2.233.973	2.464.574	2.719,706
Depreciation Expense		26,074	28,089	30.123	32,265	34,562	37,040	39.722	42,625
TOTAL EXPENSES		1,369,328	1.527.827	1.693,541	1,868,335	2.059.880	2.271,014	2.504,296	2.762.331

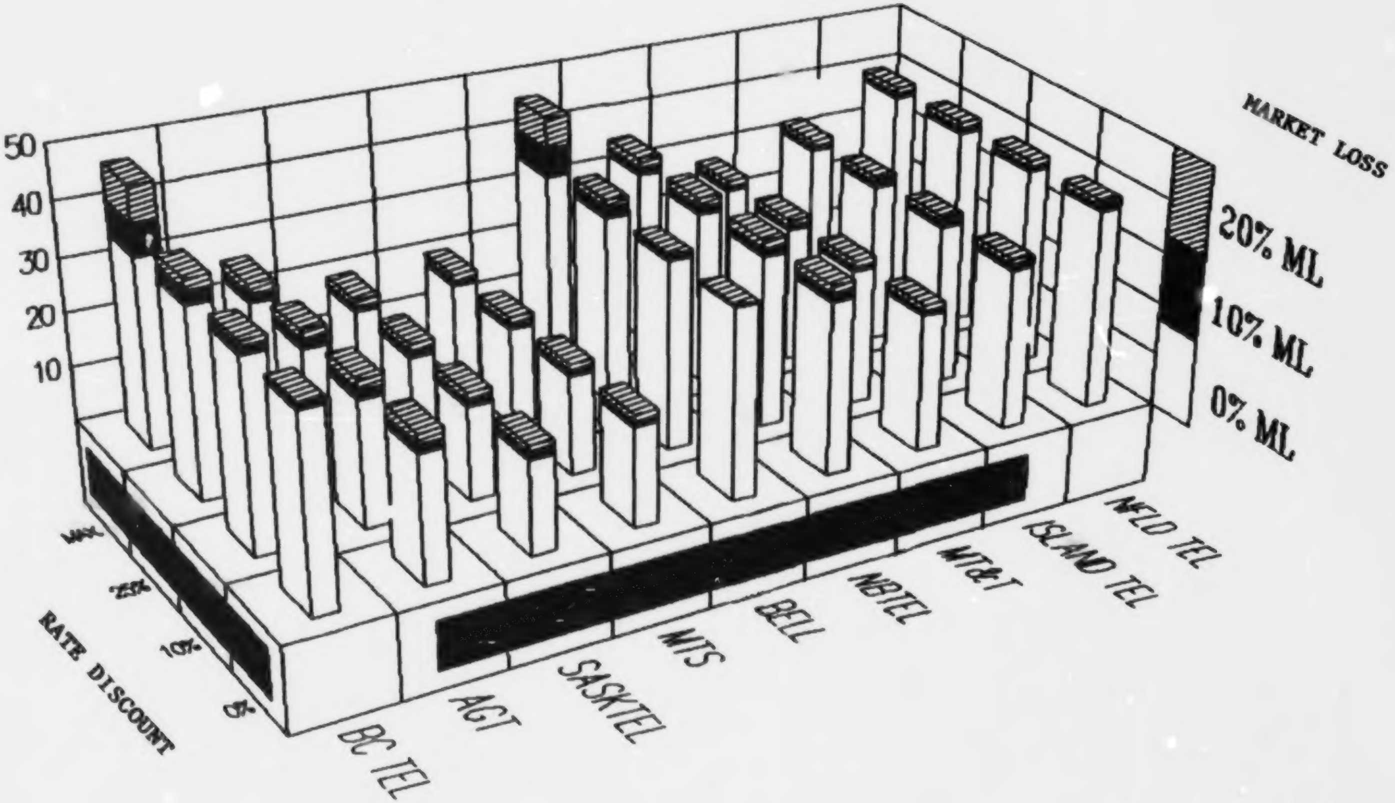
	1989	1990	1991	1992	1993	1994	1995
Other Income - AFC	713	1,300	1.384	2,903	2.688	2.035	1,529
NET INCOME							
Before Tax and Interest:	(30.439)	(44,969)	(58,052)	(51,681)	(8,287)	72,961	179.692
Less: Interest Charges	(1,774)	(4,562)	(7,020)	(10,949)	(15,775)	(19,714)	(22,264)
Less: Income Tax	13.626	20.951	27.525	26.492	10,178	(22,523)	(66.592)
AFTER TAX	(18,587)	(28,579)	(37,546)	(36,137)	(13,884)	30,723	90,836
Def.tax incld. in Income Tax reported above (not paid)	961	1,591	1,973	2,960	3.635	3,805	3.583
REAL CAPITAL EXP.'S (1987$)	64,418	35,304	42,574	70,997	65,489	48,071	34,728
CAPITAL EXPENDITURES	66,995	37,450	46,066	78,356	73,723	55,197	40,674
LOANS	33,783	19,324	27,505	47,321	44,611	30,421	18,155
DIVIDENDS OR CONTRIBUTIONS	(52,369)	(47,904)	(65,052)	(83,458)	(58,495)	302	72,681
GROSS PLANT TARGET (REAL)	51,360	90,534	120,154	192,313	266,489	322,496	361,859
REQUIRED INCREMENT (REAL)		25,431	18,521	46,272	46,820	34,950	24,469
GROSS PLANT IN SERVICE	53,414	94,684	126,499	205,577	288,475	352,311	398,071
ACCUM. DEPRECIATION	3,205	8,886	16,476	28,810	46,119	67,258	91,142
NET PLANT IN SERVICE	50,210	85,799	110,023	176,766	242,356	285,053	306,929
PLANT UNDER CONSTRUCTION	14,293	11,774	28,010	30,191	23,705	17,101	13,544
WORKING CAPITAL	4,024	11,194	27,717	56,394	90,148	118,701	140,275
TOTAL ASSETS	68,527	108,766	165,750	263,352	356,209	420,855	460,748
DEBT	33,783	53,107	80,612	127,933	172,544	202,965	221,120
DEFERRED TAXES	961	2,552	4,526	7,486	11,121	14,926	18,508
EQUITY	33,783	53,107	80,612	127,933	172,544	202,965	221,120
D/(E+D) RATIO	0.500	0.500	0.500	0.500	0.500	0.500	0.500
NET CASH FLOW	(52,369)	(47,904)	(65,052)	(83,458)	(58,495)	302	72,681
Internal Rate of Return:	ERR	-191.47%	ERR	-210.11%	ERR	-99.49%	-33.79%
- including terminal value:							
over 15 years:	16.34%						
over 10 years:	13.01%						
Estimated plant replacement value:							
Net present value:							
over 15 years at 15 %:	20,275						
over 10 years at 13 %:	139						
RETURN ON EQUITY:	-55.02%	-53.81%	-46.58%	-28.25%	-8.05%	15.14%	41.08%

	1996	1997	1998	1999	2000	2001	2002	2003
Other Income - AFC	1,292	1,234	1,268	1,345	1.446	1.562	1.691	1.831
NET INCOME								
Before Tax and Interest:	190,329	195,410	196,779	199,645	200,096	197,727	191,956	182,052
Less: Interest Charges	(23,843)	(24,983)	(26,010)	(27,085)	(28,285)	(29,622)	(31,093)	(32,715)
Less: Income Tax	(70,424)	(72,091)	(72,235)	(72,993)	(72,676)	(71,109)	(68,045)	(63,159)
AFTER TAX	96,063	98,336	98,533	99,567	99,135	96,997	92,817	86,167
Def.tax incld. in Income Tax reported above (not paid)	3,129	2,528	1,807	968	0	0	0	0
REAL CAPITAL EXP.'S (1987$)	28,469	26,586	26,756	27,833	29,333	31,066	32,363	35,002
CAPITAL EXPENDITURES	34,010	32,395	33,255	35,285	37,930	40,976	44,347	48,031
LOANS	11,910	9,805	9,769	10,705	12,141	13,333	14,692	16,199
DIVIDENDS OR CONTRIBUTIONS	84,153	88,532	88,765	88,861	86,994	83,664	78,125	69,968
GROSS PLANT TARGET (REAL)	392,637	420,403	447,871	476,241	506,059	537,606	571,066	606,587
REQUIRED INCREMENT (REAL)	19,213	17,430	17,299	17,894	18,817	19,913	21,122	22,424
GROSS PLANT IN SERVICE	434,568	468,155	502,047	537,753	576,031	617,340	662,030	710,423
ACCUM. DEPRECIATION	117,216	145,305	175,428	207,693	242,255	279,296	319,017	361,643
NET PLANT IN SERVICE	317,352	322,850	326,619	330,060	333,776	338,045	343,013	348,780
PLANT UNDER CONSTRUCTION	12,348	12,391	13,021	13,945	15,044	16,273	17,620	19,090
WORKING CAPITAL	157,996	174,593	191,537	209,551	229,018	250,186	273,255	296,417
TOTAL ASSETS	487,696	509,833	531,178	553,556	577,838	604,503	633,888	666,287
DEBT	233,029	242,834	252,603	263,308	275,449	288,781	303,474	319,673
DEFERRED TAXES	21,637	24,165	25,973	26,940	26,940	26,940	26,940	26,940
EQUITY	233,029	242,834	252,603	263,308	275,449	288,781	303,474	319,673
D/(E+D) RATIO	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
NET CASH FLOW	84,153	88,532	88,765	88,861	86,994	83,664	78,125	69,968
Internal Rate of Return:	-14.58%	-4.48%	1.57%	5.55%	8.26%	10.16%	11.49%	12.41%
- including terminal value:			13.01%					16.34%
over 15 years:								
over 10 years:								
Estimated plant replacement value:			$406,848					$484,456
Net present value:								
over 15 years at 15 %:								
over 10 years at 13 %:								
RETURN ON EQUITY:	41.22%	40.50%	39.01%	37.81%	35.99%	33.59%	30.58%	26.35%

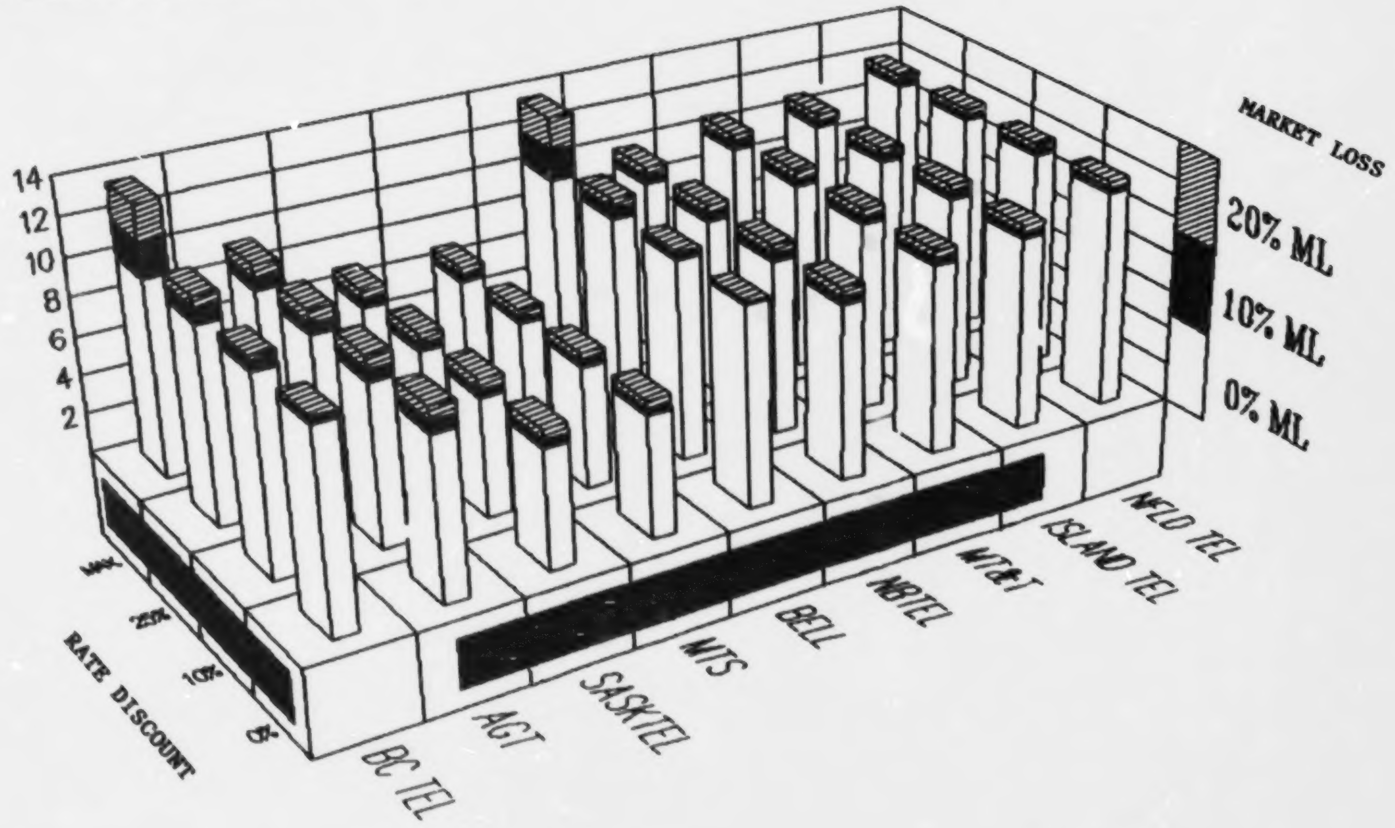
APPENDIX C

GRAPHICAL PRESENTATION OF LOCAL RATE INCREASES

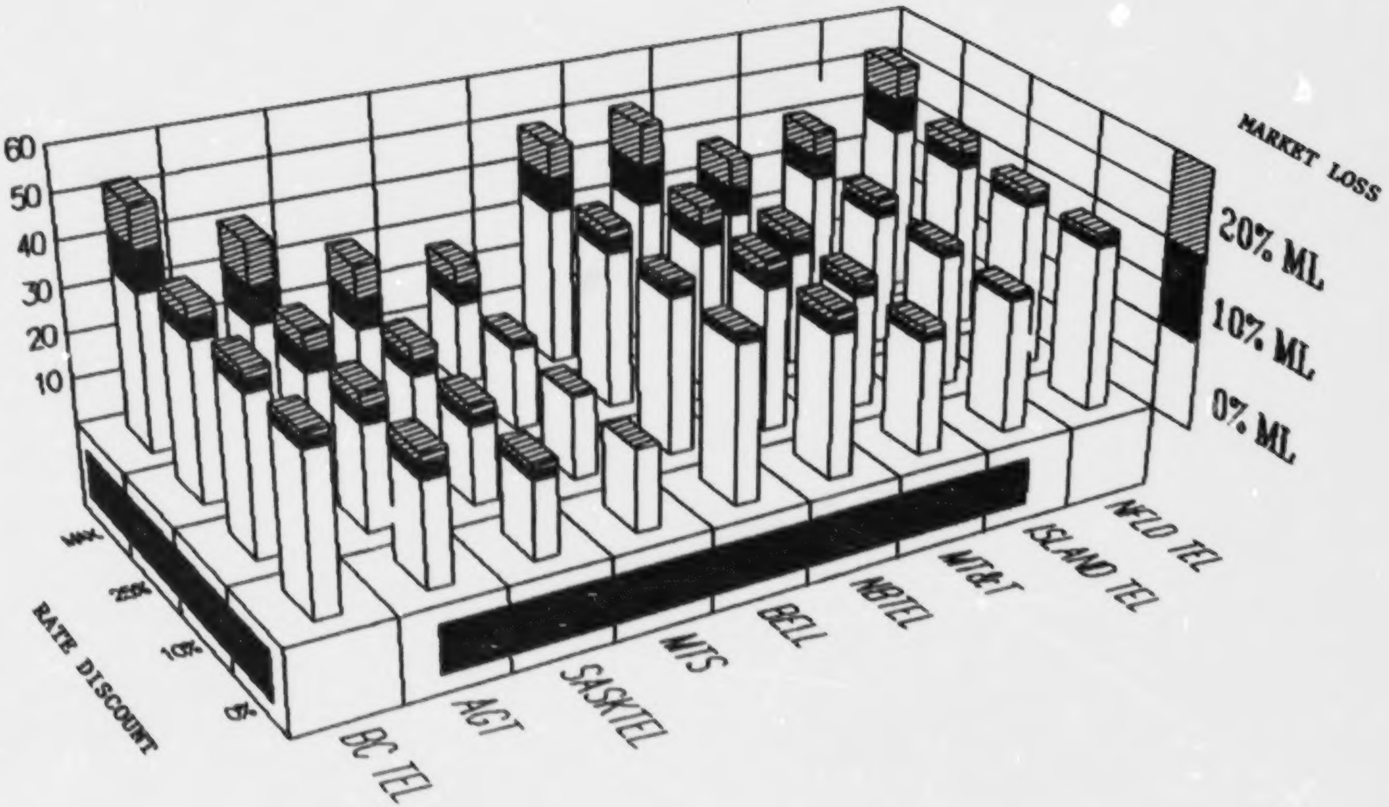
BUSINESS RATES – BC/BELL COMPETITION
STATUS QUO RATES SCENARIOS



RESIDENTIAL RATES – BC/BELL COMPETITION
STATUS QUO RATES SCENARIOS

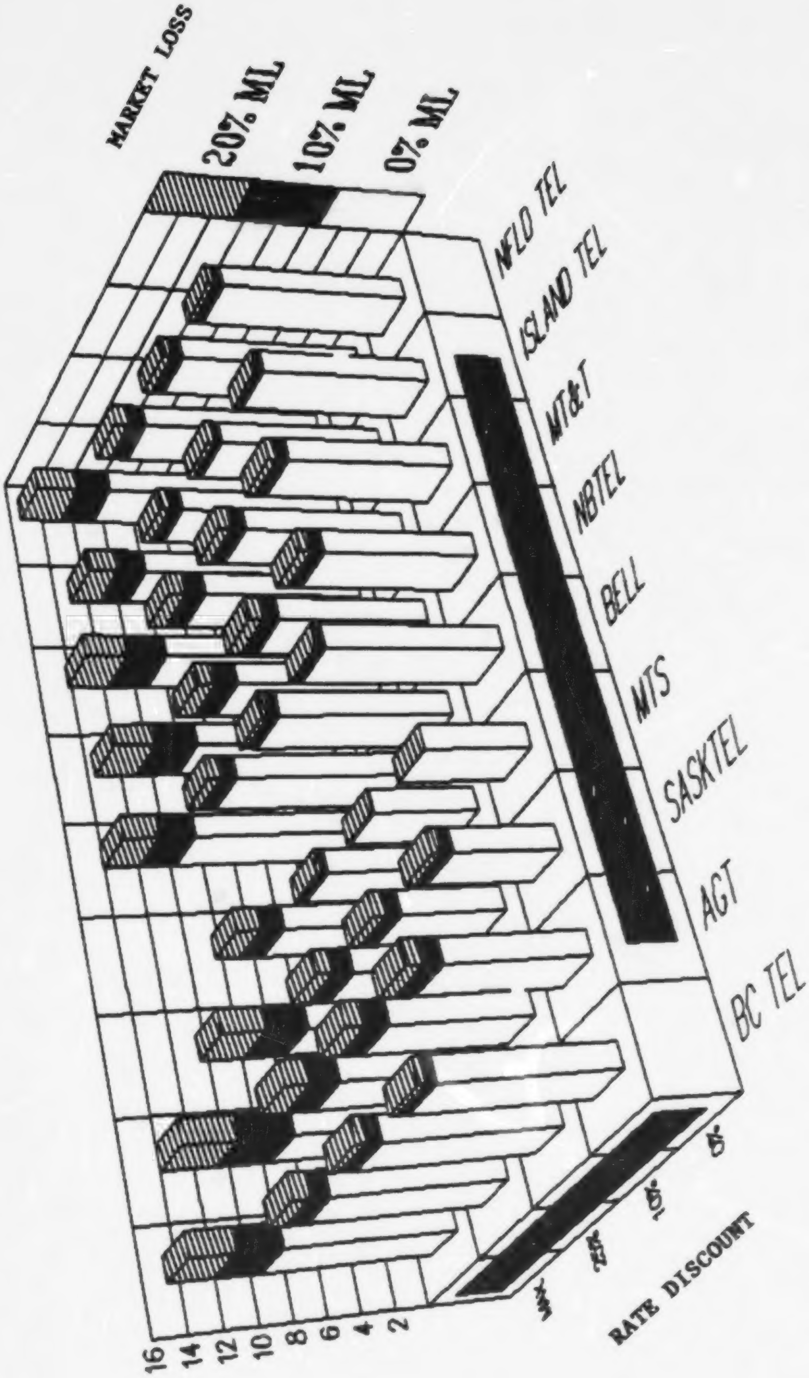


BUSINESS RATES – ALL CARRIERS COMPETITION
STATUS QUO RATES SCENARIOS

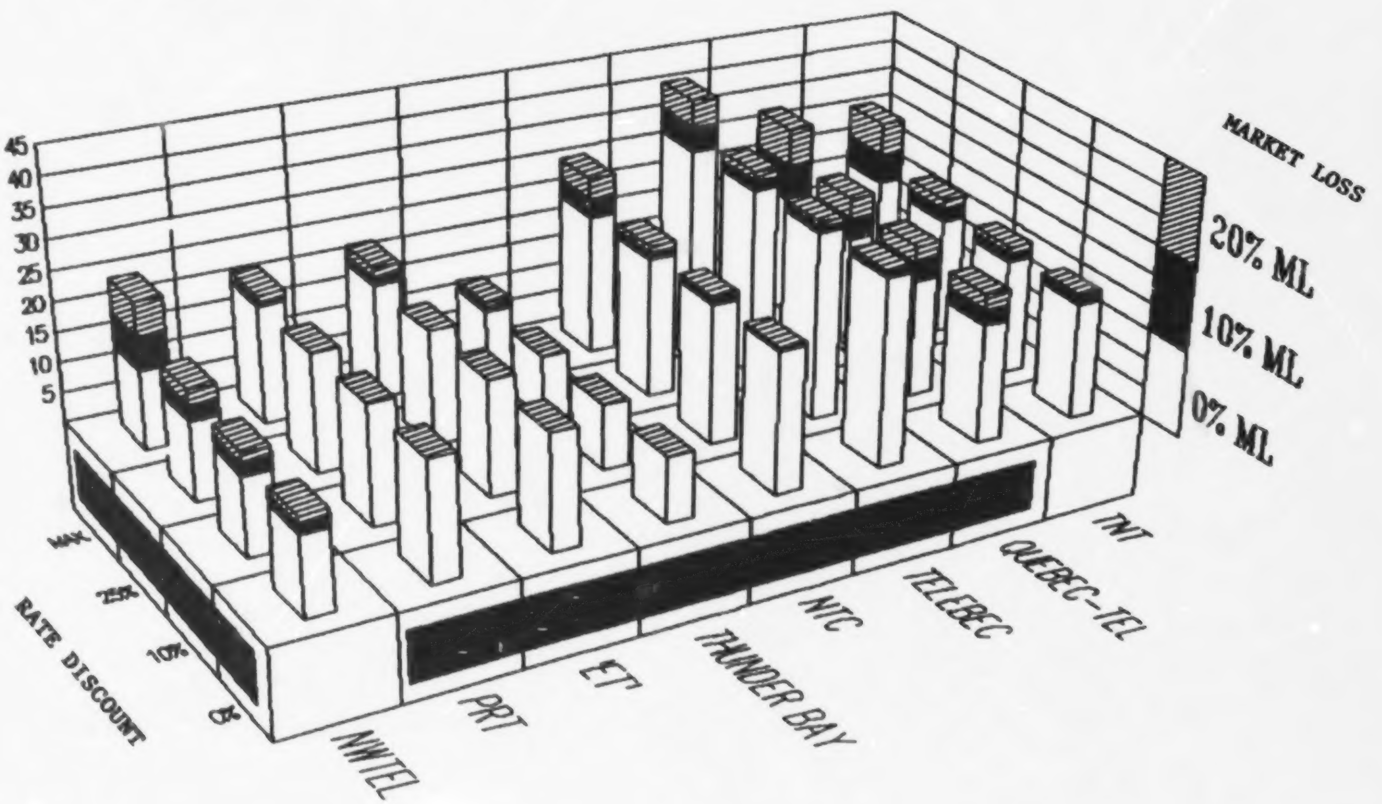


RESIDENTIAL RATES – ALL CARRIERS COMPETITION

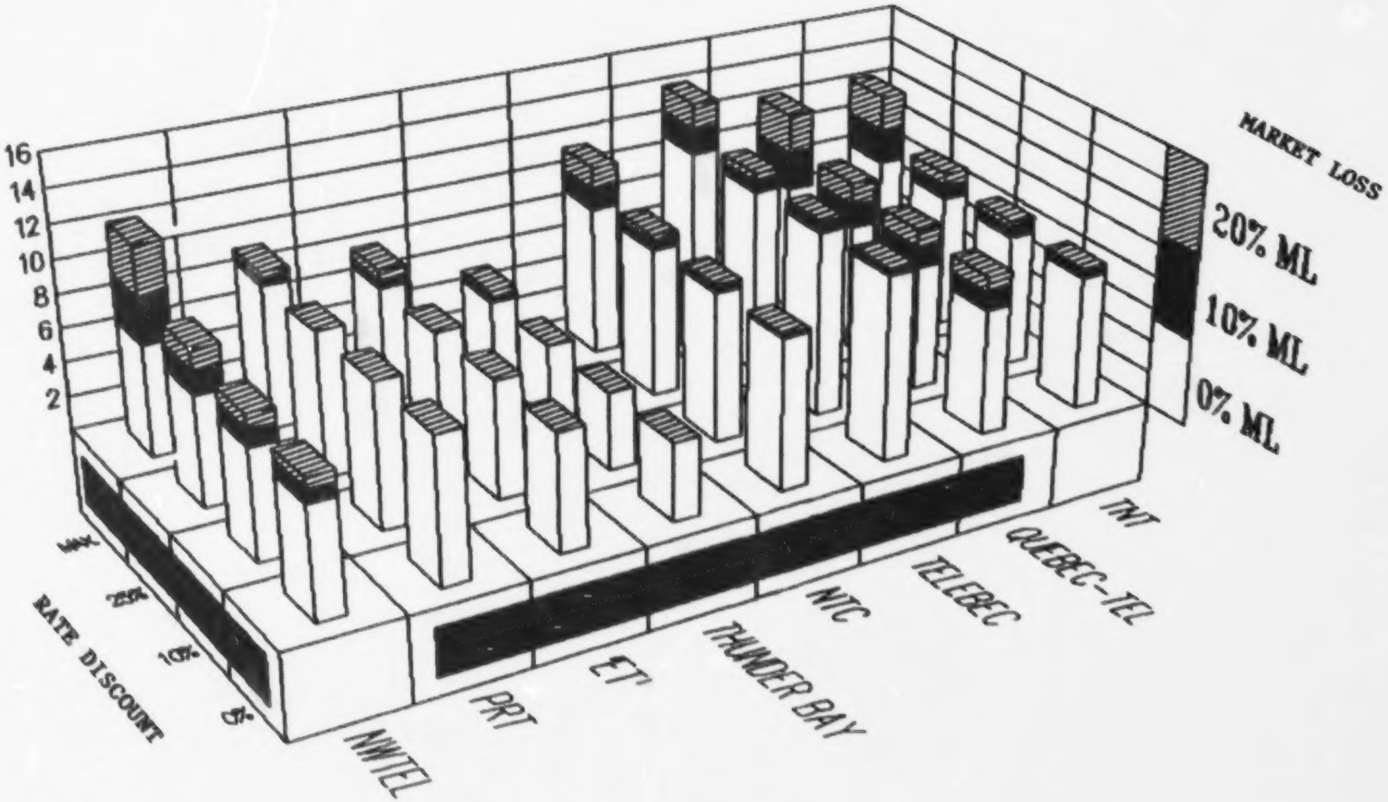
STATUS QUO RATES SCENARIOS



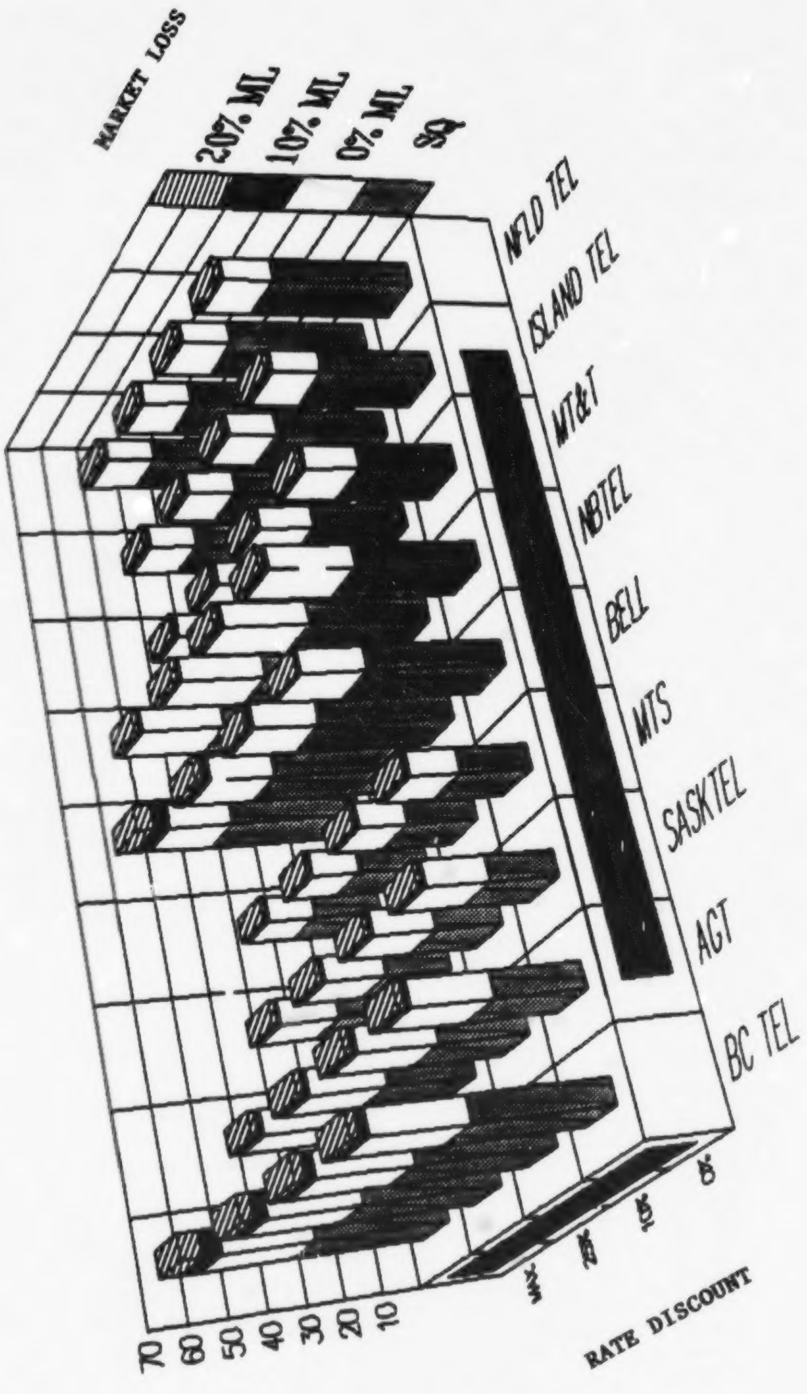
BUSINESS RATES – ALL CARRIERS COMPETITION
STATUS QUO RATES SCENARIOS



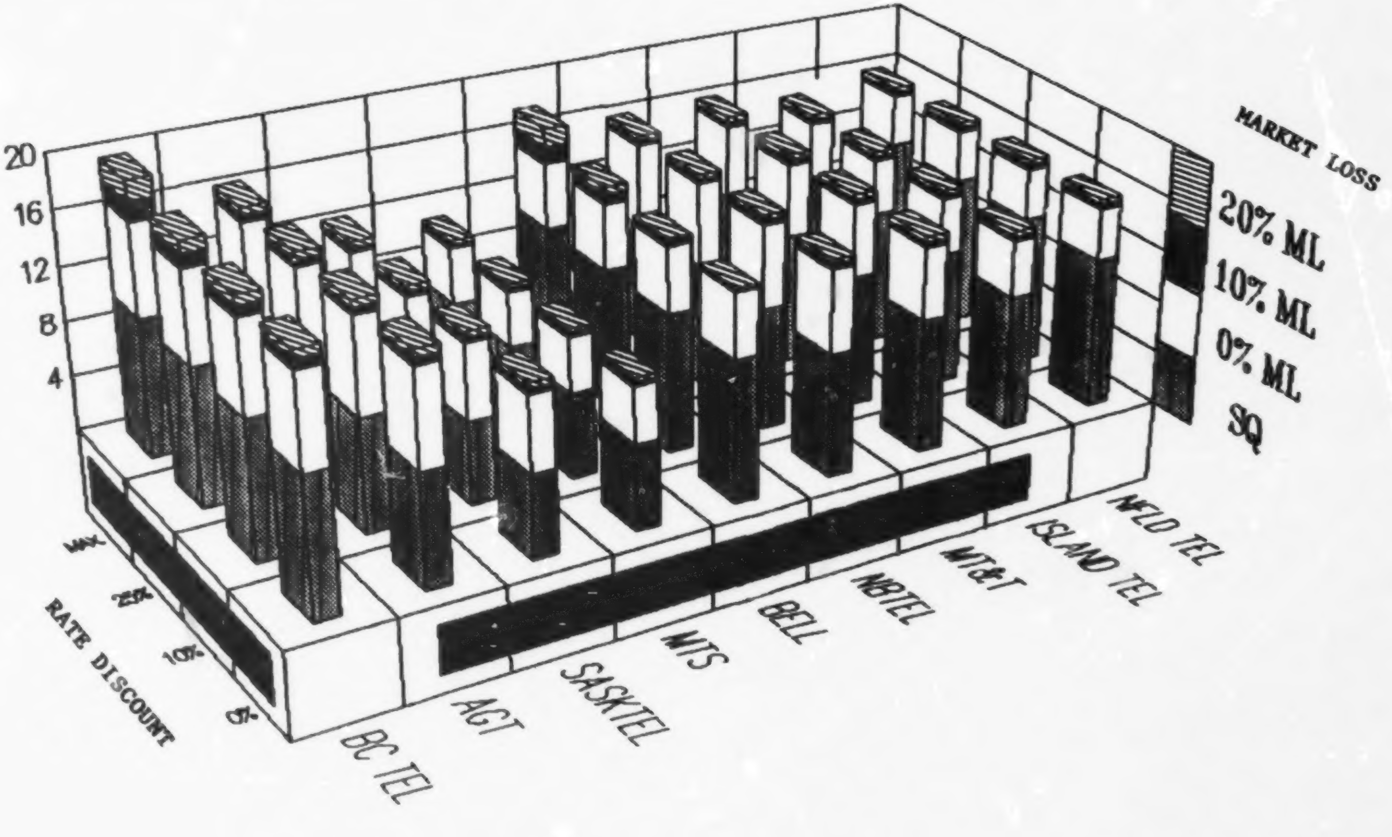
RESIDENTIAL RATES – ALL CARRIERS COMPETITION
STATUS QUO RATES SCENARIOS



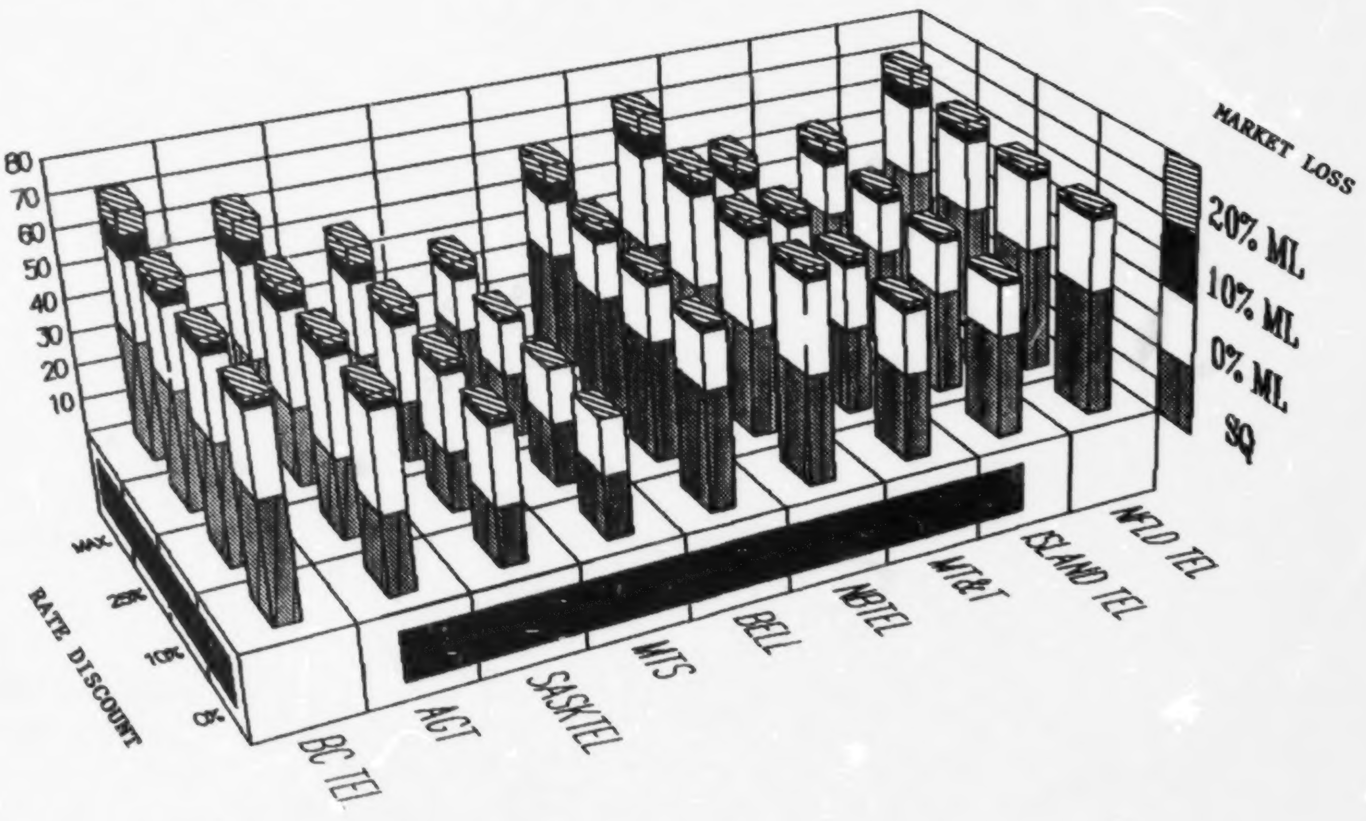
BUSINESS RATES – BC/BELL COMPETITION
REBALANCED RATES SCENARIOS



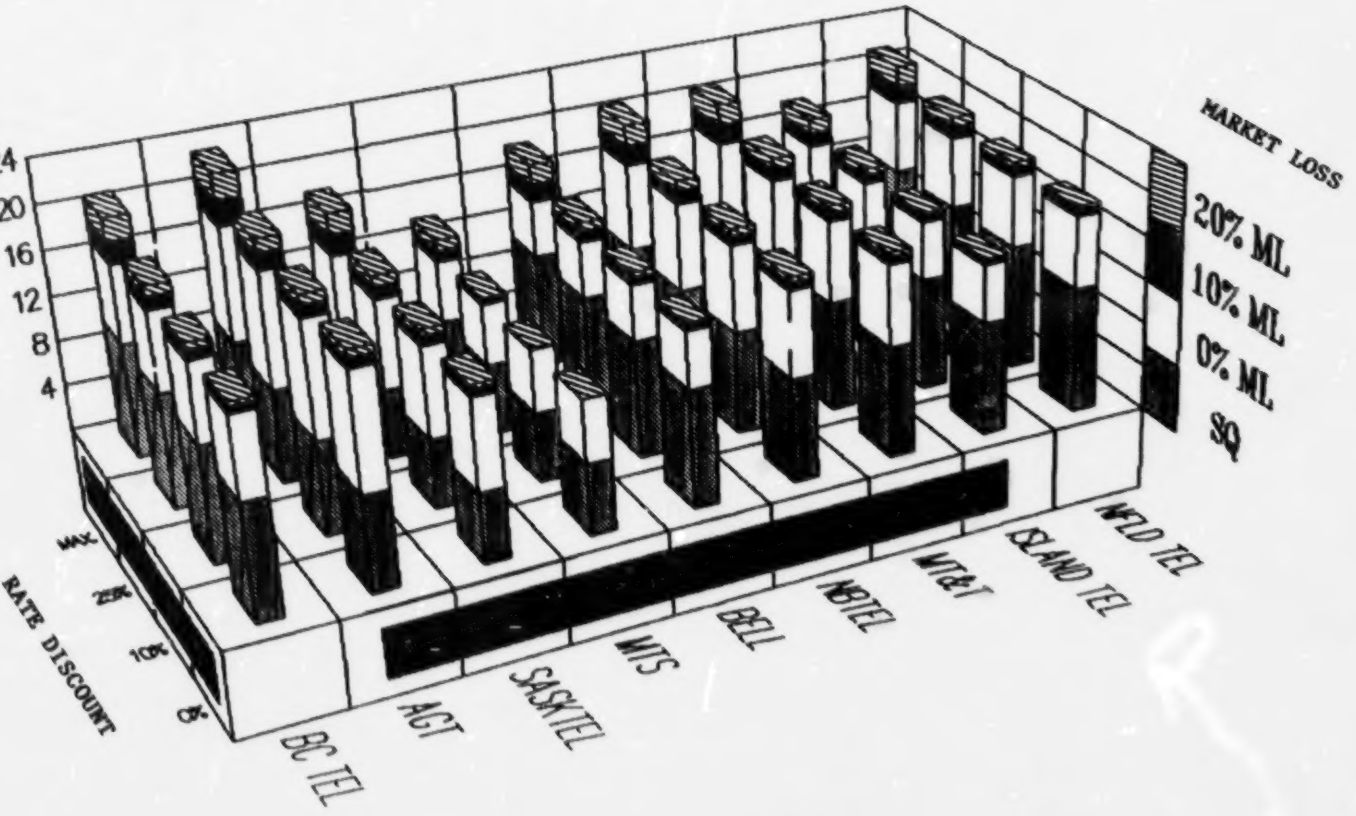
RESIDENTIAL RATES – BC/BELL COMPETITION
REBALANCED RATES SCENARIOS



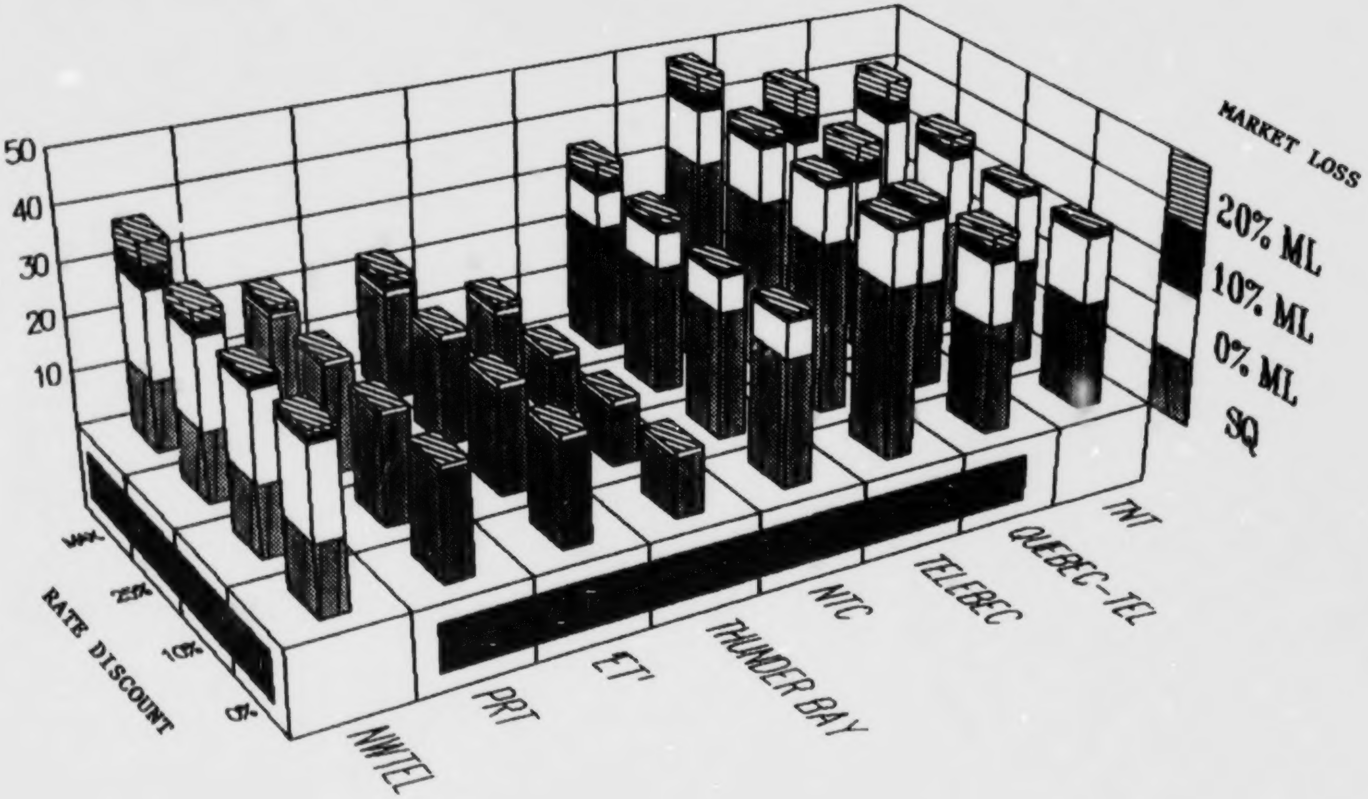
BUSINESS RATES – ALL CARRIERS COMPETITION
REBALANCED RATES SCENARIOS



RESIDENTIAL RATES – ALL CARRIERS COMPETITION
REBALANCED RATES SCENARIOS

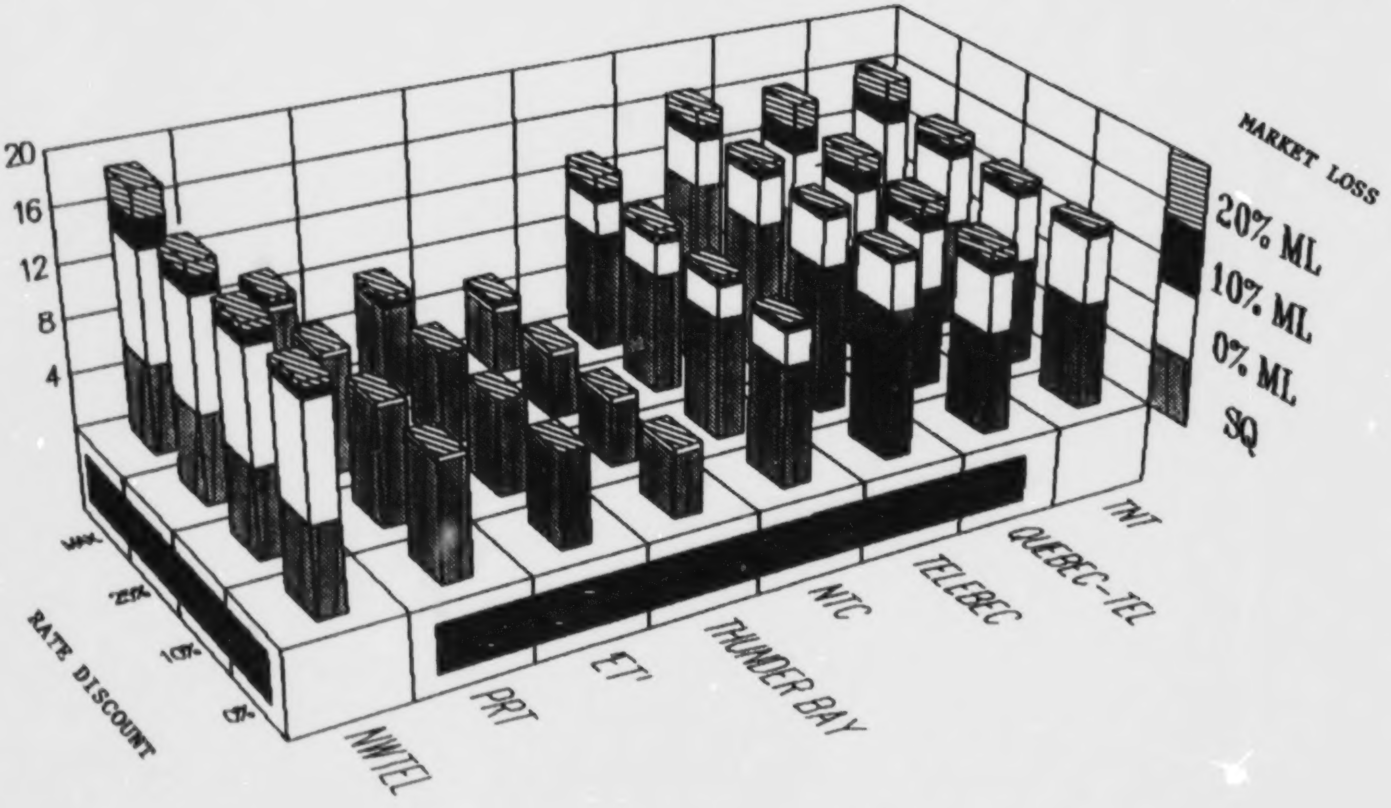


BUSINESS RATES – ALL CARRIERS COMPETITION
REBALANCED RATES SCENARIOS



RESIDENTIAL RATES – ALL CARRIERS COMPETITION

REBALANCED RATES SCENARIOS



APPENDIX D

THE ASSET MODEL

The forecasting of a telephone carrier's fixed assets, as shown on the carrier's books is a complex process. Whereas simple inflation and productivity factors can be used to project operating costs, the booked value of investments reflects not only the inflation and productivity of the forecast year but also the inflation rates and productivities of many preceding years. These years are reflected in the value of the assets as they were accumulated over time.

The forecasting methodology applied in this study was based on the recognition that incremental investment reflects current technology and, therefore, the only way in which one can assume proportionality between the value of the assets and traffic growth is the determination of the current value of the assets. That value may be higher than the original cost, due to inflation, or it can be lower due to technological change.

This leads to the distinction between reproduction and replacement values. A reproduction value would be, for example, the price of a new step-by-step switch that would replace its old counterpart at a cost that reflects inflation between the time at which the old switch had been purchased and the time at which the new switch replaced it. Obviously, this definition of value is useless, since nobody would buy a step-by-step switch today, at least not at its factory new price. Instead, the switch would be replaced by more advanced equipment, such as a digital switch. The appropriate current cost of the switch would therefore be the cost of a new current-technology device that can perform the same functions as the original device. The value of the equivalent new-technology equipment is defined as the replacement value of the old equipment.

Once the replacement value of the assets has been determined, it can be assumed that a certain percentage increase in traffic will cause the same percentage increase in the replacement value of the assets utilized by the service or an increase that has a definite relation to the traffic increase.

To estimate the growth of assets the Telephone Company Financial Simulator uses a sub-model developed through a heuristic ("trial and error") approach, combined with linear regression analysis. The current replacement values of major asset groups could be estimated on that basis.

In order to estimate the current replacement value of the assets it is necessary to go back in history to the time at which each piece of equipment currently in service has been installed. Limited by data availability we could not go back further than 1964. A simplifying assumption was made that all telephone plant has a uniform service life of 15 years.

Hence, none of the assets installed at the beginning of the study period were assumed to be in service any longer.

Historical investment data were obtained from Statistics Canada Telephone Statistics. These show:

- the change in the gross asset values by plant category (outside plant, switching and transmission)
- total telephone company investment in each year.

There were several problems associated with that form of data presentation:

(1) The telephone company model requires information on investment by service category rather than plant category, i.e., by Local, Toll and Loop investment.

(2) The increase in the historical values of assets by plant category, as reported by Statistics Canada, does not distinguish between new additions and retirements.

Consequently, estimates had to be made for producing data in the required form.

Detailed investment data were available for each carrier for the year 1978, as the result of a CRTC inquiry on the carriers' revenue settlement practices. From this information we could accurately determine the percentage of each plant category (i.e., outside plant, switching and transmission), devoted to each of the service categories (i.e., Local, Toll and Loop). Further data were provided to the current study by the carriers for 1982 and 1986, which allowed us to apply a trend to the relative assignment of switching, transmission and outside plant investment to the Local, Toll and Loop categories.

To separate new additions from retirements we assumed that a carrier's total retirements (which were known from its balance sheet) were distributed among plant categories in proportion to the gross booked value of the assets in each category. The historical value of the new investment was then equal to the increase in the historical value of the assets less the historical value of the estimated retirements.

THE BUILDUP OF CURRENT VALUES

After having estimated the investments made by a carrier in each plant category in each year, the current value of the assets could be estimated. This process required estimation of the impacts of technological change on equipment prices. This was the point where the heuristic approach was applied. By applying various deflation factors to equipment prices the buildup of asset values was repeated until a stable relationship between the increase in the current replacement values of the assets and the increase in traffic was found. It should be noted that while significant fluctuations were observed in the differences between estimated and actual known data in some of the years (due to the "lumpiness" of investment), reasonable results were obtained over the long term by assuming the following deflation factors for each plant category:

- outside Plant: 0.0% per year
- switching: 2.0% per year
- transmission: 5.0% per year

These deflation factors were combined with the general inflation factor of telephone equipment to arrive at a combined inflation (deflation) factor for the particular plant category from year to year.

Once the current replacement values of each plant category were determined, the assets attributed to each service category (i.e., Local, Toll and Loop) were estimated by distributing the plant category assets among the service categories by the known 1978 ratios.

The growth in the current values of the assets could now be compared with the growth of traffic. At this stage another factor had to be considered: the economies of scale.

Whereas the deflation factors used in the estimation of replacement values reflected technological change, economies of scale represented additional improvements in productivity. For example, after a transmission tower had been built, the cost of adding additional circuits to the tower would only be a fraction of the costs associated with the original circuits. Linear regression analysis was used to determine the econimies of scale, by relating the increase in the current values of the assets to the increase in traffic.

The following "investment elasticities", were found to represent economies of scale:

- Local: 0.9
- Toll: 0.6
- Loop: 1.0

These elasticies mean, for example, that a one percent increase in toll traffic would require only a 0.6 percent increase in the current value of the assets assigned to the Toll sector.

This process provided base-year data for the 1986 assets by service category, for each carrier. For example, these were the historical and constant dollar values of Bell's plant in service at the end of 1986:

	Historical Assets ($ Million)	Constant (1988) Dollar Assets ($ Million)
- Local:	3,675	4,662
- Toll:	2,832	3,783
- Loop:	5,744	7,052

FORECASTING

In the forecasting process the same deflation factors and investment elasticities were used as found in the historical analysis. In this manner the current values of future assets were estimated year-by-year, depending on projected traffic growth. Historical values were then calculated "backwards" from the current values.

In order to calculate the historical values of assets, estimates had to be made about expected retirements. This was done by observing the historical ratios of retirements to new investments in current terms and applying them to the projected net growth in assets.

The following investment/retirement ratios were used in the forecasting process:

- Local:	1.85
- Toll:	2.00
- Loop:	1.70

This forecasting process was incorporated in the Telephone Carrier Financial Simulator model.

APPENDIX E

ESTIMATES OF TRANSMISSION AND SWITCHING COSTS

This Appendix addresses three subjects:

- The estimated costs of transmission for the telephone companies.
- The estimated costs of transmission to a reseller.
- The estimated costs of switching to a reseller.

All the estimates are broad approximations, based largely on material submitted by the carriers to public hearings, data submitted for this study, and the assumptions stated in the discussion below.

Extimated Telephone Company Transmission Costs

The average cost per minute of the telephone companies' toll traffic, expressed in terms of RSP costs, was estimated to be 13.8 cents in 1995.

The cost of operator services was estimated at 2.0 cent per minute of all toll traffic. The cost of the local and administrative portion of the traffic was estimated as 3.5 cents (at both ends combined) according to RSP costing methods. This leaves a cost of 8.3 cents per minute for transmission and toll switching. Assigning 25 percent of this amount to switching the cost of transmission is estimated to be 6.225 cents per miniute.

The utilization of an individual two-way toll transmission circuit, being part of a large group of circuits, was estimated to be 10,000 minutes per month. This includes a mix of business and residential traffic during business hours, evenings and weekends. With concentration (multiplexing) of messages, as applied in 1995, this utilization was assumed to be doubled.

Consequently, the cost of a two-way voice grade toll circuit was estimated to be $1,250 per month (in 1995 dollars). This amount is in the same order of magnitude as the current average monthly charge for private line circuits (excluding local links), considering the basic charges and any discounts that may be applied to groups of circuits. It was therefore concluded that private lines are unlikely to provide significant contributions to the telephone companies' common costs.

Transmission Costs of Resellers

If resellers were to utilize a private line without concentration at a level that is 30 percent of the utilization achieved by a telephone company, and assuming that the line is provided by the telephone company at or near cost, the cost of the line would be 6.225/0.3 = 20.75 cents per minute. Utilization at a level that is 30 percent of the telephone companies' utilization means 6,000 minutes per month: a level that would be difficult to surpass without substantial residential traffic.

If the reseller can concentrate half of his lines by a factor of two, his cost would decline to 20.75/1.5=13.8 cents per minute. This is 31 percent of the systemwide average telephone company toll rate of 44.6 cents per minute. It was assumed in this study that, on a per-minute basis, the reseller's cost of leasing private lines from the telephone companies will be 30 percent of the average telephone company toll rate.

Reseller Switching Cost

It was assumed that the size of a typical reseller would be one quarter of a Facility Based Carrier at any one location. This means that the capital costs of a reseller's switch would be 52 percent higher per unit of traffic than the Facility Based Carrier's switch ($0.25^{0.7}/0.25=1.52$).

The capital costs of the Facility Based Carrier's switches were assumed to be 25 percent of all capital costs. Applying the multiplier of 1.52 above to that proportion the assumption was made that the reseller's capital costs for switching will be approximately 40 percent of the Facility Based Carrier's capital costs.

In the FBC model capital investment was estimated to be 12 cents per annual originated minute in 1987 dollars. Forty percent of that number is 4.8 cents: this is assumed to be a reseller's capital invested in his switches. As an example we may consider a switch with 100 originating trunks, leading to an annual originated traffic of 7.2 million minutes. The capital cost of such a switch (including concentrator (multiplexing) equipment for part of the plant) would be estimated at $7,200,000 x 0.048 = $345,000: a reasonable estimate.

The Financial Impacts of Competition in Public Long Distance Telephone Services on Canada's Telephone Companies

TABLES
(Attachments to Final Report)

I. FACILITY BASED CARRIER COMPETITION

August 1988

I.

FACILITY BASED CARRIER COMPETITION

1. STATUS QUO RATES

- Bell/B.C. Tel only	S(B)
- Alternative Case	S(B) alt
- Telecom Canada Members	S(T)
- All Canada	S(A)

2. REBALANCED RATES

- Bell/B.C. Tel Only	R(B)
- Telecom Canada Members	R(T)
- All Canada	R(A)

STATUS QUO RATES

Bell/B.C.Tel Only

S(B)

1. STATUS QUO RATES

Bell/B.C.Tel Only S(B)

SEQUENCE OF TABLES

0% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

10% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

25% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

Maximum rate discount by Competitor
(no contribution payment)
    10% market loss by Telcos
    20% market loss by Telcos

For explanation of Tables, see Pages III-1 to III-7 of the Final Report

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
Geographic Areas of Competition:	Bell-B.C.Tel Only	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
Market Lost to Competition:	0.0%	
Productivity Improvement:	0.0%	Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA	NA	0.00%
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA	0.00%
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA	0.00%
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA	0.00%
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA	0.00%
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA	NA	0.00%
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA	NA	0.00%
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA	0.00%
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA	0.00%
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA		0.00%
Unweighted Average		28.22	0.00	0.0%	28.22	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA	NA
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA	NA
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA	NA
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA	
Unweighted Average		28.22	0.00	0.0%	28.22	NA	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	0.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA	NA	NA
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA	NA	NA
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA	NA	NA
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA		NA
Unweighted Average		9.06	0.00	0.0%	9.06	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA	NA
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA	NA
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA	NA
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA	
Unweighted Average		9.06	0.00	0.0%	9.06	NA	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	10.45 cts/min	25.2% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.7)	37.82	1.16	3.1%	38.98	NA	NA	0.60%
Island Tel	(0.6)	30.36	1.12	3.7%	31.48	NA	NA	0.89%
MT&T	(4.7)	25.60	1.10	4.3%	26.70	NA	NA	0.75%
NBTel	(3.9)	32.22	1.58	4.9%	33.81	NA	NA	0.82%
Bell	(37.6)	35.12	0.62	1.8%	35.75	NA	NA	0.35%
Manitoba Tel	(6.7)	18.19	1.13	6.2%	19.32	NA	NA	0.82%
SaskTel	(7.2)	17.07	1.33	7.8%	18.40	NA	NA	0.79%
AGT	(19.2)	22.85	1.85	8.1%	24.70	NA	NA	0.96%
B.C. Tel	(14.4)	34.72	1.17	3.4%	35.89	NA	NA	0.62%
Total or Mean	(96.1)	31.64	0.92	2.9%	32.56	NA		0.53%
Unweighted Average		28.22	1.23	4.4%	29.45	NA		0.73%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

Nfld Tel	(1.7)	37.82	0.59	1.6%	38.41	NA	NA
Island Tel	(0.6)	30.36	0.54	1.8%	30.90	NA	NA
MT&T	(4.7)	25.60	0.58	2.3%	26.18	NA	NA
NBTel	(3.9)	32.22	0.67	2.1%	32.89	NA	NA
Bell	(37.6)	35.12	0.29	0.8%	35.41	NA	NA
Manitoba Tel	(6.7)	18.19	0.60	3.3%	18.79	NA	NA
SaskTel	(7.2)	17.07	0.72	4.2%	17.79	NA	NA
AGT	(19.2)	22.85	1.02	4.5%	23.87	NA	NA
B.C. Tel	(14.4)	34.72	0.54	1.6%	35.27	NA	NA
Total or Mean	(96.1)	31.64	0.45	1.4%	32.09	NA	
Unweighted Average		28.22	0.62	2.2%	28.83	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 10.45 cts/min 25.2% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(1.7)	11.39	0.35	3.1%	11.74	NA	NA	NA
Island Tel	(0.6)	10.13	0.37	3.7%	10.51	NA	NA	NA
MT&T	(4.7)	9.89	0.43	4.3%	10.31	NA	NA	NA
NBTel	(3.9)	9.12	0.45	4.9%	9.57	NA	NA	NA
Bell	(37.6)	10.39	0.18	1.8%	10.58	NA	NA	11.79
Manitoba Tel	(6.7)	6.21	0.39	6.2%	6.59	NA	NA	NA
SaskTel	(7.2)	6.07	0.47	7.8%	6.54	NA	NA	NA
AGT	(19.2)	8.23	0.67	8.1%	8.89	NA	NA	NA
B.C. Tel	(14.4)	10.08	0.34	3.4%	10.42	NA	NA	13.53
Total or Mean	(96.1)	9.78	0.28	2.9%	10.06	NA		13.40
Unweighted Average		9.06	0.41	4.5%	9.46	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(1.7)	11.39	0.59	5.2%	11.98	NA	NA
Island Tel	(0.6)	10.13	0.54	5.3%	10.67	NA	NA
MT&T	(4.7)	9.89	0.58	5.9%	10.47	NA	NA
NBTel	(3.9)	9.12	0.67	7.3%	9.79	NA	NA
Bell	(37.6)	10.39	0.29	2.8%	10.68	NA	NA
Manitoba Tel	(6.7)	6.21	0.60	9.6%	6.80	NA	NA
SaskTel	(7.2)	6.07	0.72	11.8%	6.79	NA	NA
AGT	(19.2)	8.23	1.02	12.4%	9.25	NA	NA
B.C. Tel	(14.4)	10.08	0.54	5.4%	10.62	NA	NA
Total or Mean	(96.1)	9.78	0.43	4.4%	10.21	NA	
Unweighted Average		9.06	0.62	6.8%	9.67	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 11.25 cts/min 27.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.4)	37.82	2.26	6.0%	40.08	NA	NA	1.18%
Island Tel	(1.2)	30.36	2.21	7.3%	32.57	NA	NA	1.75%
MT&T	(9.2)	25.60	2.16	8.4%	27.76	NA	NA	1.48%
NBTel	(7.9)	32.22	3.18	9.9%	35.41	NA	NA	1.65%
Bell	(22.3)	35.12	0.37	1.1%	35.49	NA	NA	0.21%
Manitoba Tel	(13.3)	18.19	2.25	12.4%	20.44	NA	NA	1.62%
SaskTel	(14.1)	17.07	2.62	15.3%	19.69	NA	NA	1.55%
AGT	(38.0)	22.85	3.65	16.0%	26.50	NA	NA	1.90%
B.C. Tel	(18.1)	34.72	1.46	4.2%	36.19	NA	NA	0.79%
Total or Mean	(127.4)	31.64	1.21	3.8%	32.85	NA		0.71%
Unweighted Average		28.22	2.24	7.9%	30.46	NA		1.35%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(3.4)	37.82	1.15	3.0%	38.98	NA	NA
Island Tel	(1.2)	30.36	1.07	3.5%	31.43	NA	NA
MT&T	(9.2)	25.60	1.14	4.5%	26.74	NA	NA
NBTel	(7.9)	32.22	1.34	4.2%	33.56	NA	NA
Bell	(22.3)	35.12	0.17	0.5%	35.29	NA	NA
Manitoba Tel	(13.3)	18.19	1.18	6.5%	19.37	NA	NA
SaskTel	(14.1)	17.07	1.41	8.3%	18.48	NA	NA
AGT	(38.0)	22.85	2.01	8.8%	24.87	NA	NA
B.C. Tel	(18.1)	34.72	0.68	1.9%	35.40	NA	NA
Total or Mean	(127.4)	31.64	0.61	1.9%	32.25	NA	
Unweighted Average		28.22	1.13	4.0%	29.35	NA	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	11.25 cts/min	27.0% of Telco rate.
	Market Lost to Competition:	-20.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.4)	11.39	0.68	6.0%	12.07	NA	NA	NA
Island Tel	(1.2)	10.13	0.74	7.3%	10.87	NA	NA	NA
MT&T	(9.2)	9.89	0.83	8.4%	10.72	NA	NA	NA
NBTel	(7.9)	9.12	0.90	9.9%	10.02	NA	NA	NA
Bell	(22.3)	10.39	0.11	1.1%	10.50	NA	NA	11.65
Manitoba Tel	(13.3)	6.21	0.77	12.4%	6.97	NA	NA	NA
SaskTel	(14.1)	6.07	0.93	15.3%	7.00	NA	NA	NA
AGT	(38.0)	8.23	1.31	16.0%	9.54	NA	NA	NA
B.C. Tel	(18.1)	10.08	0.42	4.2%	10.51	NA	NA	13.17
Total or Mean	(127.4)	9.78	0.36	3.7%	10.14	NA		13.21
Unweighted Average		9.06	0.74	8.2%	9.80	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(3.4)	11.39	1.15	10.1%	12.54	NA	NA
Island Tel	(1.2)	10.13	1.07	10.5%	11.20	NA	NA
MT&T	(9.2)	9.89	1.14	11.5%	11.03	NA	NA
NBTel	(7.9)	9.12	1.34	14.7%	10.46	NA	NA
Bell	(22.3)	10.39	0.17	1.6%	10.56	NA	NA
Manitoba Tel	(13.3)	6.21	1.18	19.0%	7.39	NA	NA
SaskTel	(14.1)	6.07	1.41	23.2%	7.48	NA	NA
AGT	(38.0)	8.23	2.01	24.5%	10.24	NA	NA
B.C. Tel	(18.1)	10.08	0.68	6.7%	10.76	NA	NA
Total or Mean	(127.4)	9.78	0.55	5.7%	10.33	NA	
Unweighted Average		9.06	1.13	12.5%	10.16	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 8.65 cts/min 20.9% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%
Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.7)	37.82	1.16	3.1%	38.98	NA	NA	0.60%
Island Tel	(0.6)	30.36	1.12	3.7%	31.48	NA	NA	0.89%
MT&T	(4.7)	25.60	1.10	4.3%	26.70	NA	NA	0.75%
NBTel	(3.9)	32.22	1.58	4.9%	33.81	NA	NA	0.82%
Bell	(71.6)	35.12	1.19	3.4%	36.31	11.87	81.2%	0.67%
Manitoba Tel	(6.7)	18.19	1.13	6.2%	19.32	NA	NA	0.82%
SaskTel	(7.2)	17.07	1.33	7.8%	18.40	NA	NA	0.79%
AGT	(19.2)	22.85	1.85	8.1%	24.70	NA	NA	0.96%
B.C. Tel	(21.7)	34.72	1.75	5.0%	36.48	17.52	77.3%	0.93%
Total or Mean	(137.3)	31.64	1.33	4.2%	32.97	13.33		0.75%
Unweighted Average		28.22	1.36	4.8%	29.58	13.58		0.80%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(1.7)	37.82	0.59	1.6%	38.41	NA	NA
Island Tel	(0.6)	30.36	0.54	1.8%	30.90	NA	NA
MT&T	(4.7)	25.60	0.58	2.3%	26.18	NA	NA
NBTel	(3.9)	32.22	0.67	2.1%	32.89	NA	NA
Bell	(71.6)	35.12	0.55	1.6%	35.67	5.45	86.9%
Manitoba Tel	(6.7)	18.19	0.60	3.3%	18.79	NA	NA
SaskTel	(7.2)	17.07	0.72	4.2%	17.79	NA	NA
AGT	(19.2)	22.85	1.02	4.5%	23.87	NA	NA
B.C. Tel	(21.7)	34.72	0.81	2.3%	35.54	8.11	84.8%
Total or Mean	(137.3)	31.64	0.64	2.0%	32.28	6.42	
Unweighted Average		28.22	0.67	2.4%	28.89	6.74	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 8.65 cts/min 20.9% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(1.7)	11.39	0.35	3.1%	11.74	NA	NA	NA
Island Tel	(0.6)	10.13	0.37	3.7%	10.51	NA	NA	NA
MT&T	(4.7)	9.89	0.43	4.3%	10.31	NA	NA	NA
NBTel	(3.9)	9.12	0.45	4.9%	9.57	NA	NA	NA
Bell	(71.6)	10.39	0.35	3.4%	10.74	3.51	78.3%	11.04
Manitoba Tel	(6.7)	6.21	0.39	6.2%	6.59	NA	NA	NA
SaskTel	(7.2)	6.07	0.47	7.8%	6.54	NA	NA	NA
AGT	(19.2)	8.23	0.67	8.1%	8.89	NA	NA	NA
B.C. Tel	(21.7)	10.08	0.51	5.0%	10.59	5.09	79.8%	12.97
Total or Mean	(137.3)	9.78	0.41	4.2%	10.18	4.07		12.58
Unweighted Average		9.06	0.44	4.9%	9.50	4.43		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(1.7)	11.39	0.59	5.2%	11.98	NA	NA
Island Tel	(0.6)	10.13	0.54	5.3%	10.67	NA	NA
MT&T	(4.7)	9.89	0.58	5.9%	10.47	NA	NA
NBTel	(3.9)	9.12	0.67	7.3%	9.79	NA	NA
Bell	(71.6)	10.39	0.55	5.2%	10.94	5.45	74.3%
Manitoba Tel	(6.7)	6.21	0.60	9.6%	6.80	NA	NA
SaskTel	(7.2)	6.07	0.72	11.8%	6.79	NA	NA
AGT	(19.2)	8.23	1.02	12.4%	9.25	NA	NA
B.C. Tel	(21.7)	10.08	0.81	8.0%	10.89	8.11	75.8%
Total or Mean	(137.3)	9.78	0.63	6.4%	10.40	6.29	
Unweighted Average		9.06	0.67	7.4%	9.73	6.74	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER		
Geographic Areas of Competition:	Bell-B.C.Tel Only		
Rate Structure:	STATUS QUO RATES		
Contribution Charge:	9.40 cts/min	22.5% of Telco rate.	
Market Lost to Competition:	-20.0%		
Productivity Improvement:	0.0%	Competing rates discounted by	10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS				BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
		BASE RATE	MONTHLY RATE CHANGE		NEW RATE			
		($)	($)	(%)	($)			
Nfld Tel	(3.4)	37.82	2.26	6.0%	40.08	NA	NA	1.18%
Island Tel	(1.2)	30.36	2.21	7.3%	32.57	NA	NA	1.75%
MT&T	(9.2)	25.60	2.16	8.4%	27.76	NA	NA	1.48%
NBTel	(7.9)	32.22	3.18	9.9%	35.41	NA	NA	1.65%
Bell	(90.6)	35.12	1.50	4.3%	36.63	15.03	78.6%	0.86%
Manitoba Tel	(13.3)	18.19	2.25	12.4%	20.44	NA	NA	1.62%
SaskTel	(14.1)	17.07	2.62	15.3%	19.69	NA	NA	1.55%
AGT	(38.0)	22.85	3.65	16.0%	26.50	NA	NA	1.90%
B.C. Tel	(32.5)	34.72	2.63	7.6%	37.36	26.31	71.5%	1.42%
Total or Mean	(210.2)	31.64	2.03	6.4%	33.67	20.29		1.17%
Unweighted Average		28.22	2.50	8.8%	30.71	24.96		1.49%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(3.4)	37.82	1.15	3.0%	38.98	NA	NA
Island Tel	(1.2)	30.36	1.07	3.5%	31.43	NA	NA
MT&T	(9.2)	25.60	1.14	4.5%	26.74	NA	NA
NBTel	(7.9)	32.22	1.34	4.2%	33.56	NA	NA
Bell	(90.6)	35.12	0.69	2.0%	35.81	6.90	85.6%
Manitoba Tel	(13.3)	18.19	1.18	6.5%	19.37	NA	NA
SaskTel	(14.1)	17.07	1.41	8.3%	18.48	NA	NA
AGT	(38.0)	22.85	2.01	8.8%	24.87	NA	NA
B.C. Tel	(32.5)	34.72	1.22	3.5%	35.94	12.18	81.4%
Total or Mean	(210.2)	31.64	0.99	3.1%	32.63	9.90	
Unweighted Average		28.22	1.25	4.4%	29.46	12.46	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	9.40 cts/min	22.5% of Telco rate.
	Market Lost to Competition:	-20.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.4)	11.39	0.68	6.0%	12.07	NA	NA	NA
Island Tel	(1.2)	10.13	0.74	7.3%	10.87	NA	NA	NA
MT&T	(9.2)	9.89	0.83	8.4%	10.72	NA	NA	NA
NBTel	(7.9)	9.12	0.90	9.9%	10.02	NA	NA	NA
Bell	(90.6)	10.39	0.44	4.3%	10.84	4.45	76.4%	10.92
Manitoba Tel	(13.3)	6.21	0.77	12.4%	6.97	NA	NA	NA
SaskTel	(14.1)	6.07	0.93	15.3%	7.00	NA	NA	NA
AGT	(38.0)	8.23	1.31	16.0%	9.54	NA	NA	NA
B.C. Tel	(32.5)	10.08	0.76	7.6%	10.85	7.64	76.5%	12.62
Total or Mean	(210.2)	9.78	0.62	6.3%	10.39	6.16		12.42
Unweighted Average		9.06	0.82	9.0%	9.88	8.19		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(3.4)	11.39	1.15	10.1%	12.54	NA	NA
Island Tel	(1.2)	10.13	1.07	10.5%	11.20	NA	NA
MT&T	(9.2)	9.89	1.14	11.5%	11.03	NA	NA
NBTel	(7.9)	9.12	1.34	14.7%	10.46	NA	NA
Bell	(90.6)	10.39	0.69	6.6%	11.08	6.90	70.8%
Manitoba Tel	(13.3)	6.21	1.18	19.0%	7.39	NA	NA
SaskTel	(14.1)	6.07	1.41	23.2%	7.48	NA	NA
AGT	(38.0)	8.23	2.01	24.5%	10.24	NA	NA
B.C. Tel	(32.5)	10.08	1.22	12.1%	11.30	12.18	70.0%
Total or Mean	(210.2)	9.78	0.95	9.7%	10.73	9.50	
Unweighted Average		9.06	1.25	13.8%	10.30	12.46	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 6.00 cts/min 14.5% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.7)	37.82	1.16	3.1%	38.98	NA	NA	0.60%
Island Tel	(0.6)	30.36	1.12	3.7%	31.48	NA	NA	0.89%
MT&T	(4.7)	25.60	1.10	4.3%	26.70	NA	NA	0.75%
NBTel	(3.9)	32.22	1.58	4.9%	33.81	NA	NA	0.82%
Bell	(129.7)	35.12	2.15	6.1%	37.27	8.60	84.0%	1.21%
Manitoba Tel	(6.7)	18.19	1.13	6.2%	19.32	NA	NA	0.82%
SaskTel	(7.2)	17.07	1.33	7.8%	18.40	NA	NA	0.79%
AGT	(19.2)	22.85	1.85	8.1%	24.70	NA	NA	0.96%
B.C. Tel	(34.0)	34.72	2.75	7.9%	37.48	11.01	82.4%	1.46%
Total or Mean	(207.8)	31.64	2.03	6.4%	33.67	8.12		1.14%
Unweighted Average		28.22	1.58	5.6%	29.79	6.30		0.92%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(1.7)	37.82	0.59	1.6%	38.41	NA	NA
Island Tel	(0.6)	30.36	0.54	1.8%	30.90	NA	NA
MT&T	(4.7)	25.60	0.58	2.3%	26.18	NA	NA
NBTel	(3.9)	32.22	0.67	2.1%	32.89	NA	NA
Bell	(129.7)	35.12	0.99	2.8%	36.11	3.95	88.4%
Manitoba Tel	(6.7)	18.19	0.60	3.3%	18.79	NA	NA
SaskTel	(7.2)	17.07	0.72	4.2%	17.79	NA	NA
AGT	(19.2)	22.85	1.02	4.5%	23.87	NA	NA
B.C. Tel	(34.0)	34.72	1.27	3.7%	36.00	5.10	87.5%
Total or Mean	(207.8)	31.64	0.96	3.0%	32.60	3.85	
Unweighted Average		28.22	0.77	2.7%	28.99	3.10	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	6.00 cts/min	14.5% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(1.7)	11.39	0.35	3.1%	11.74	NA	NA	NA
Island Tel	(0.6)	10.13	0.37	3.7%	10.51	NA	NA	NA
MT&T	(4.7)	9.89	0.43	4.3%	10.31	NA	NA	NA
NBTel	(3.9)	9.12	0.45	4.9%	9.57	NA	NA	NA
Bell	(129.7)	10.39	0.64	6.1%	11.03	2.55	79.9%	9.85
Manitoba Tel	(6.7)	6.21	0.39	6.2%	6.59	NA	NA	NA
SaskTel	(7.2)	6.07	0.47	7.8%	6.54	NA	NA	NA
AGT	(19.2)	8.23	0.67	8.1%	8.89	NA	NA	NA
B.C. Tel	(34.0)	10.08	0.80	7.9%	10.88	3.20	82.0%	12.02
Total or Mean	(207.8)	9.78	0.62	6.4%	10.40	2.49		11.28
Unweighted Average		9.06	0.51	5.6%	9.56	2.03		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(1.7)	11.39	0.59	5.2%	11.98	NA	NA
Island Tel	(0.6)	10.13	0.54	5.3%	10.67	NA	NA
MT&T	(4.7)	9.89	0.58	5.9%	10.47	NA	NA
NBTel	(3.9)	9.12	0.67	7.3%	9.79	NA	NA
Bell	(129.7)	10.39	0.99	9.5%	11.38	3.95	77.4%
Manitoba Tel	(6.7)	6.21	0.60	9.6%	6.80	NA	NA
SaskTel	(7.2)	6.07	0.72	11.8%	6.79	NA	NA
AGT	(19.2)	8.23	1.02	12.4%	9.25	NA	NA
B.C. Tel	(34.0)	10.08	1.27	12.6%	11.36	5.10	79.8%
Total or Mean	(207.8)	9.78	0.97	9.9%	10.74	3.87	
Unweighted Average		9.06	0.77	8.6%	9.83	3.10	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 6.65 cts/min 15.9% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.4)	37.82	2.26	6.0%	40.08	NA	NA	1.18%
Island Tel	(1.2)	30.36	2.21	7.3%	32.57	NA	NA	1.75%
MT&T	(9.2)	25.60	2.16	8.4%	27.76	NA	NA	1.48%
NBTel	(7.9)	32.22	3.18	9.9%	35.41	NA	NA	1.65%
Bell	(208.9)	35.12	3.46	9.9%	38.59	13.86	79.5%	1.98%
Manitoba Tel	(13.3)	18.19	2.25	12.4%	20.44	NA	NA	1.62%
SaskTel	(14.1)	17.07	2.62	15.3%	19.69	NA	NA	1.55%
AGT	(38.0)	22.85	3.65	16.0%	26.50	NA	NA	1.90%
B.C. Tel	(57.5)	34.72	4.65	13.4%	39.38	18.62	76.5%	2.51%
Total or Mean	(353.5)	31.64	3.45	10.9%	35.09	13.79		1.96%
Unweighted Average		28.22	2.94	10.4%	31.16	11.75		1.74%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(3.4)	37.82	1.15	3.0%	38.98	NA	NA
Island Tel	(1.2)	30.36	1.07	3.5%	31.43	NA	NA
MT&T	(9.2)	25.60	1.14	4.5%	26.74	NA	NA
NBTel	(7.9)	32.22	1.34	4.2%	33.56	NA	NA
Bell	(208.9)	35.12	1.59	4.5%	36.71	6.37	86.1%
Manitoba Tel	(13.3)	18.19	1.18	6.5%	19.37	NA	NA
SaskTel	(14.1)	17.07	1.41	8.3%	18.48	NA	NA
AGT	(38.0)	22.85	2.01	8.8%	24.87	NA	NA
B.C. Tel	(57.5)	34.72	2.15	6.2%	36.88	8.62	84.4%
Total or Mean	(353.5)	31.64	1.64	5.2%	33.28	6.57	
Unweighted Average		28.22	1.45	5.1%	29.67	5.80	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 6.65 cts/min 15.9% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.4)	11.39	0.68	6.0%	12.07	NA	NA	NA
Island Tel	(1.2)	10.13	0.74	7.3%	10.87	NA	NA	NA
MT&T	(9.2)	9.89	0.83	8.4%	10.72	NA	NA	NA
NBTel	(7.9)	9.12	0.90	9.9%	10.02	NA	NA	NA
Bell	(208.9)	10.39	1.03	9.9%	11.42	4.10	77.2%	9.76
Manitoba Tel	(13.3)	6.21	0.77	12.4%	6.97	NA	NA	NA
SaskTel	(14.1)	6.07	0.93	15.3%	7.00	NA	NA	NA
AGT	(38.0)	8.23	1.31	16.0%	9.54	NA	NA	NA
B.C. Tel	(57.5)	10.08	1.35	13.4%	11.43	5.41	79.4%	11.71
Total or Mean	(353.5)	9.78	1.06	10.8%	10.83	4.23		11.15
Unweighted Average		9.06	0.95	10.5%	10.01	3.80		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(3.4)	11.39	1.15	10.1%	12.54	NA	NA
Island Tel	(1.2)	10.13	1.07	10.5%	11.20	NA	NA
MT&T	(9.2)	9.89	1.14	11.5%	11.03	NA	NA
NBTel	(7.9)	9.12	1.34	14.7%	10.46	NA	NA
Bell	(208.9)	10.39	1.59	15.3%	11.98	6.37	72.1%
Manitoba Tel	(13.3)	6.21	1.18	19.0%	7.39	NA	NA
SaskTel	(14.1)	6.07	1.41	23.2%	7.48	NA	NA
AGT	(38.0)	8.23	2.01	24.5%	10.24	NA	NA
B.C. Tel	(57.5)	10.08	2.15	21.4%	12.24	8.62	75.1%
Total or Mean	(353.5)	9.78	1.64	16.8%	11.41	6.55	
Unweighted Average		9.06	1.45	16.0%	10.51	5.80	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 59.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.7)	37.82	1.16	3.1%	38.98	NA	NA	0.60%
Island Tel	(0.6)	30.36	1.12	3.7%	31.48	NA	NA	0.89%
MT&T	(4.7)	25.60	1.10	4.3%	26.70	NA	NA	0.75%
NBTel	(3.9)	32.22	1.58	4.9%	33.81	NA	NA	0.82%
Bell	(336.9)	35.12	5.59	15.9%	40.71	9.39	83.3%	3.14%
Manitoba Tel	(6.7)	18.19	1.13	6.2%	19.32	NA	NA	0.82%
SaskTel	(7.2)	17.07	1.33	7.8%	18.40	NA	NA	0.79%
AGT	(19.2)	22.85	1.85	8.1%	24.70	NA	NA	0.96%
B.C. Tel	(78.0)	34.72	6.31	18.2%	41.04	10.61	82.7%	3.35%
Total or Mean	(459.0)	31.64	4.52	14.3%	36.16	7.60		2.52%
Unweighted Average		28.22	2.35	8.3%	30.57	3.96		1.35%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(1.7)	37.82	0.59	1.6%	38.41	NA	NA
Island Tel	(0.6)	30.36	0.54	1.8%	30.90	NA	NA
MT&T	(4.7)	25.60	0.58	2.3%	26.18	NA	NA
NBTel	(3.9)	32.22	0.67	2.1%	32.89	NA	NA
Bell	(336.9)	35.12	2.57	7.3%	37.69	4.31	88.0%
Manitoba Tel	(6.7)	18.19	0.60	3.3%	18.79	NA	NA
SaskTel	(7.2)	17.07	0.72	4.2%	17.79	NA	NA
AGT	(19.2)	22.85	1.02	4.5%	23.87	NA	NA
B.C. Tel	(78.0)	34.72	2.92	8.4%	37.65	4.91	87.7%
Total or Mean	(459.0)	31.64	2.11	6.7%	33.75	3.54	
Unweighted Average		28.22	1.13	4.0%	29.35	1.91	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 59.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(1.7)	11.39	0.35	3.1%	11.74	NA	NA	NA
Island Tel	(0.6)	10.13	0.37	3.7%	10.51	NA	NA	NA
MT&T	(4.7)	9.89	0.43	4.3%	10.31	NA	NA	NA
NBTel	(3.9)	9.12	0.45	4.9%	9.57	NA	NA	NA
Bell	(336.9)	10.39	1.65	15.9%	12.05	2.78	79.6%	6.70
Manitoba Tel	(6.7)	6.21	0.39	6.2%	6.59	NA	NA	NA
SaskTel	(7.2)	6.07	0.47	7.8%	6.54	NA	NA	NA
AGT	(19.2)	8.23	0.67	8.1%	8.89	NA	NA	NA
B.C. Tel	(78.0)	10.08	1.83	18.2%	11.92	3.08	82.1%	9.26
Total or Mean	(459.0)	9.78	1.40	14.3%	11.17	2.35		7.82
Unweighted Average		9.06	0.73	8.1%	9.79	1.23		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(1.7)	11.39	0.59	5.2%	11.98	NA	NA
Island Tel	(0.6)	10.13	0.54	5.3%	10.67	NA	NA
MT&T	(4.7)	9.89	0.58	5.9%	10.47	NA	NA
NBTel	(3.9)	9.12	0.67	7.3%	9.79	NA	NA
Bell	(336.9)	10.39	2.57	24.7%	12.96	4.31	76.7%
Manitoba Tel	(6.7)	6.21	0.60	9.6%	6.80	NA	NA
SaskTel	(7.2)	6.07	0.72	11.8%	6.79	NA	NA
AGT	(19.2)	8.23	1.02	12.4%	9.25	NA	NA
B.C. Tel	(78.0)	10.08	2.92	29.0%	13.01	4.91	80.0%
Total or Mean	(459.0)	9.78	2.17	22.2%	11.95	3.65	
Unweighted Average		9.06	1.13	12.5%	10.19	1.91	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER		
Geographic Areas of Competition:	Bell-B.C.Tel Only		
Rate Structure:	STATUS QUO RATES		
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.	
Market Lost to Competition:	-20.0%		
Productivity Improvement:	0.0%	Competing rates discounted by	62.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.4)	37.82	2.26	6.0%	40.08	NA	NA	1.18%
Island Tel	(1.2)	30.36	2.21	7.3%	32.57	NA	NA	1.75%
MT&T	(9.2)	25.60	2.16	8.4%	27.76	NA	NA	1.48%
NBTel	(7.9)	32.22	3.18	9.9%	35.41	NA	NA	1.65%
Bell	(671.9)	35.12	11.14	31.7%	46.26	17.97	76.4%	6.37%
Manitoba Tel	(13.3)	18.19	2.25	12.4%	20.44	NA	NA	1.62%
SaskTel	(14.1)	17.07	2.62	15.3%	19.69	NA	NA	1.55%
AGT	(38.0)	22.85	3.65	16.0%	26.50	NA	NA	1.90%
B.C. Tel	(155.3)	34.72	12.57	36.2%	47.29	20.27	75.4%	6.79%
Total or Mean	(914.3)	31.64	9.00	28.5%	40.64	14.52		5.07%
Unweighted Average		28.22	4.67	16.6%	32.89	7.53		2.70%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(3.4)	37.82	1.15	3.0%	38.98	NA	NA
Island Tel	(1.2)	30.36	1.07	3.5%	31.43	NA	NA
MT&T	(9.2)	25.60	1.14	4.5%	26.74	NA	NA
NBTel	(7.9)	32.22	1.34	4.2%	33.56	NA	NA
Bell	(671.9)	35.12	5.12	14.6%	40.24	8.26	84.3%
Manitoba Tel	(13.3)	18.19	1.18	6.5%	19.37	NA	NA
SaskTel	(14.1)	17.07	1.41	8.3%	18.48	NA	NA
AGT	(38.0)	22.85	2.01	8.8%	24.87	NA	NA
B.C. Tel	(155.3)	34.72	5.82	16.8%	40.54	9.38	83.7%
Total or Mean	(914.3)	31.64	4.20	13.3%	35.84	6.77	
Unweighted Average		28.22	2.25	8.0%	30.47	3.63	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0%

Competing rates discounted by 62.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.4)	11.39	0.68	6.0%	12.07	NA	NA	NA
Island Tel	(1.2)	10.13	0.74	7.3%	10.87	NA	NA	NA
MT&T	(9.2)	9.89	0.83	8.4%	10.72	NA	NA	NA
NBTel	(7.9)	9.12	0.90	9.9%	10.02	NA	NA	NA
Bell	(671.9)	10.39	3.30	31.7%	13.69	5.32	74.6%	6.44
Manitoba Tel	(13.3)	6.21	0.77	12.4%	6.97	NA	NA	NA
SaskTel	(14.1)	6.07	0.93	15.3%	7.00	NA	NA	NA
AGT	(38.0)	8.23	1.31	16.0%	9.54	NA	NA	NA
B.C. Tel	(155.3)	10.08	3.65	36.2%	13.73	5.89	78.8%	8.79
Total or Mean	(914.3)	9.78	2.78	28.4%	12.56	4.48		7.49
Unweighted Average		9.06	1.46	16.1%	10.51	2.35		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

Nfld Tel	(3.4)	11.39	1.15	10.1%	12.54	NA	NA
Island Tel	(1.2)	10.13	1.07	10.5%	11.20	NA	NA
MT&T	(9.2)	9.89	1.14	11.5%	11.03	NA	NA
NBTel	(7.9)	9.12	1.34	14.7%	10.46	NA	NA
Bell	(671.9)	10.39	5.12	49.3%	15.51	8.26	67.5%
Manitoba Tel	(13.3)	6.21	1.18	19.0%	7.39	NA	NA
SaskTel	(14.1)	6.07	1.41	23.2%	7.48	NA	NA
AGT	(38.0)	8.23	2.01	24.5%	10.24	NA	NA
B.C. Tel	(155.3)	10.08	5.82	57.7%	15.90	9.38	74.0%
Total or Mean	(914.3)	9.78	4.33	44.3%	14.10	6.98	
Unweighted Average		9.06	2.25	24.8%	11.31	3.63	

STATUS QUO RATES

Alternative Case

Bell/B.C.Tel Only

S(B) alt

1. STATUS QUO RATES

Bell/B.C.Tel Only **S(B) alt**

(Alternative Case*)

SEQUENCE OF TABLES

0% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

10% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

25% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

Maximum rate discount by Competitor
(no contribution payment)
    10% market loss by Telcos
    20% market loss by Telcos

For explanation of Tables, see Pages III-1 to III-7 of the Final Report

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* Payment of Contribution Charges to Telecom Canada

TELECOM CANADA MEMBERS

1 of S(B)alt

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Productivity Improvement: 0.0% Competing rates
(Contribution payment to Telecom Canada Pool) discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA	NA	0.00%
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA	0.00%
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA	0.00%
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA	0.00%
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA	0.00%
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA	NA	0.00%
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA	NA	0.00%
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA	0.00%
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA	0.00%
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA		0.00%
Unweighted Average		28.22	0.00	0.0%	28.22	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA	NA
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA	NA
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA	NA
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA	
Unweighted Average		28.22	0.00	0.0%	28.22	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%
(Contribution payment to Telecom Canada Pool)

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA	NA	NA
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA	NA	NA
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA	NA	NA
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA		NA
Unweighted Average		9.06	0.00	0.0%	9.06	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA	NA
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA	NA
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA	NA
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA	
Unweighted Average		9.06	0.00	0.0%	9.06	NA	

TELECOM CANADA MEMBERS

3 of S(B)alt

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER		
Geographic Areas of Competition:	Bell-B.C.Tel Only		
Rate Structure:	STATUS QUO RATES		
Contribution Charge:	10.45 cts/min	25.2% of Telco rate.	
Market Lost to Competition:	-10.0%		
Productivity Improvement:	0.0%	Competing rates	
(Contribution payment to Telecom Canada Pool)		discounted by	0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	0.7	37.82	-0.45	-1.2%	37.37	NA	NA	-0.24%
Island Tel	0.2	30.36	-0.30	-1.0%	30.06	NA	NA	-0.24%
MT&T	1.4	25.60	-0.34	-1.3%	25.26	NA	NA	-0.23%
NBTel	(0.9)	32.22	0.36	1.1%	32.58	NA	NA	0.19%
Bell	(73.4)	35.12	1.22	3.5%	36.34	NA	NA	0.68%
Manitoba Tel	(1.4)	18.19	0.23	1.3%	18.42	NA	NA	0.17%
SaskTel	0.1	17.07	-0.02	-0.1%	17.05	NA	NA	-0.01%
AGT	(0.6)	22.85	0.06	0.2%	22.91	NA	NA	0.03%
B.C. Tel	(26.3)	34.72	2.13	6.1%	36.86	NA	NA	1.13%
Total or Mean	(100.2)	31.64	1.00	3.2%	32.63	NA		0.55%
Unweighted Average		28.22	0.32	1.1%	28.54	NA		0.17%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	0.7	37.82	-0.23	-0.6%	37.59	NA	NA
Island Tel	0.2	30.36	-0.14	-0.5%	30.22	NA	NA
MT&T	1.4	25.60	-0.18	-0.7%	25.42	NA	NA
NBTel	(0.9)	32.22	0.15	0.5%	32.38	NA	NA
Bell	(73.4)	35.12	0.56	1.6%	35.68	NA	NA
Manitoba Tel	(1.4)	18.19	0.12	0.7%	18.31	NA	NA
SaskTel	0.1	17.07	-0.01	-0.1%	17.06	NA	NA
AGT	(0.6)	22.85	0.03	0.1%	22.89	NA	NA
B.C. Tel	(26.3)	34.72	0.99	2.8%	35.71	NA	NA
Total or Mean	(100.2)	31.64	0.46	1.5%	32.10	NA	
Unweighted Average		28.22	0.14	0.5%	28.36	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER		
Geographic Areas of Competition:	Bell-B.C.Tel Only		
Rate Structure:	STATUS QUO RATES		
Contribution Charge:	10.45 cts/min	25.2% of Telco rate.	
Market Lost to Competition:	-10.0%		
Productivity Improvement:	0.0%	Competing rates	
(Contribution payment to Telecom Canada Pool)		discounted by	0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	0.7	11.39	-0.14	-1.2%	11.25	NA	NA	NA
Island Tel	0.2	10.13	-0.10	-1.0%	10.03	NA	NA	NA
MT&T	1.4	9.89	-0.13	-1.3%	9.76	NA	NA	NA
NBTel	(0.9)	9.12	0.10	1.1%	9.22	NA	NA	NA
Bell	(73.4)	10.39	0.36	3.5%	10.75	NA	NA	13.08
Manitoba Tel	(1.4)	6.21	0.08	1.3%	6.29	NA	NA	NA
SaskTel	0.1	6.07	-0.01	-0.1%	6.06	NA	NA	NA
AGT	(0.6)	8.23	0.02	0.2%	8.25	NA	NA	NA
B.C. Tel	(26.3)	10.08	0.62	6.1%	10.70	NA	NA	16.07
Total or Mean	(100.2)	9.78	0.31	3.1%	10.08	NA		13.52
Unweighted Average		9.06	0.09	1.0%	9.15	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	0.7	11.39	-0.23	-2.0%	11.16	NA	NA
Island Tel	0.2	10.13	-0.14	-1.4%	9.99	NA	NA
MT&T	1.4	9.89	-0.18	-1.8%	9.71	NA	NA
NBTel	(0.9)	9.12	0.15	1.7%	9.27	NA	NA
Bell	(73.4)	10.39	0.56	5.4%	10.95	NA	NA
Manitoba Tel	(1.4)	6.21	0.12	2.0%	6.33	NA	NA
SaskTel	0.1	6.07	-0.01	-0.2%	6.06	NA	NA
AGT	(0.6)	8.23	0.03	0.4%	8.26	NA	NA
B.C. Tel	(26.3)	10.08	0.99	9.8%	11.07	NA	NA
Total or Mean	(100.2)	9.78	0.48	4.9%	10.26	NA	
Unweighted Average		9.06	0.14	1.6%	9.20	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 11.25 cts/min 27.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates
(Contribution payment to Telecom Canada Pool) discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
			($)	(%)				
Nfld Tel	2.0	37.82	-1.33	-3.5%	36.49	NA	NA	-0.69%
Island Tel	0.5	30.36	-0.95	-3.1%	29.41	NA	NA	-0.75%
MT&T	4.5	25.60	-1.04	-4.1%	24.56	NA	NA	-0.71%
NBTel	(1.1)	32.22	0.45	1.4%	32.68	NA	NA	0.24%
Bell	(100.8)	35.12	1.67	4.8%	36.79	NA	NA	0.96%
Manitoba Tel	(1.5)	18.19	0.26	1.4%	18.45	NA	NA	0.19%
SaskTel	2.0	17.07	-0.36	-2.1%	16.70	NA	NA	-0.22%
AGT	3.3	22.85	-0.32	-1.4%	22.54	NA	NA	-0.16%
B.C. Tel	(45.0)	34.72	3.64	10.5%	38.37	NA	NA	1.97%
Total or Mean	(136.3)	31.64	1.37	4.3%	33.00	NA		0.76%
Unweighted Average		28.22	0.22	0.8%	28.44	NA		0.09%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	2.0	37.82	-0.68	-1.8%	37.14	NA	NA
Island Tel	0.5	30.36	-0.46	-1.5%	29.90	NA	NA
MT&T	4.5	25.60	-0.55	-2.2%	25.05	NA	NA
NBTel	(1.1)	32.22	0.19	0.6%	32.41	NA	NA
Bell	(100.8)	35.12	0.77	2.2%	35.89	NA	NA
Manitoba Tel	(1.5)	18.19	0.14	0.7%	18.33	NA	NA
SaskTel	2.0	17.07	-0.20	-1.1%	16.87	NA	NA
AGT	3.3	22.85	-0.17	-0.8%	22.68	NA	NA
B.C. Tel	(45.0)	34.72	1.69	4.9%	36.41	NA	NA
Total or Mean	(136.3)	31.64	0.62	2.0%	32.26	NA	
Unweighted Average		28.22	0.08	0.3%	28.30	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 11.25 cts/min 27.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%
(Contribution payment to Telecom Canada Pool)

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	2.0	11.39	-0.40	-3.5%	10.99	NA	NA	NA
Island Tel	0.5	10.13	-0.32	-3.1%	9.81	NA	NA	NA
MT&T	4.5	9.89	-0.40	-4.1%	9.49	NA	NA	NA
NBTel	(1.1)	9.12	0.13	1.4%	9.25	NA	NA	NA
Bell	(100.8)	10.39	0.49	4.8%	10.89	NA	NA	13.06
Manitoba Tel	(1.5)	6.21	0.09	1.4%	6.29	NA	NA	NA
SaskTel	2.0	6.07	-0.13	-2.1%	5.94	NA	NA	NA
AGT	3.3	8.23	-0.11	-1.4%	8.11	NA	NA	NA
B.C. Tel	(45.0)	10.08	1.06	10.5%	11.14	NA	NA	16.03
Total or Mean	(136.3)	9.78	0.42	4.3%	10.19	NA		13.34
Unweighted Average		9.06	0.04	0.5%	9.10	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	2.0	11.39	-0.68	-6.0%	10.71	NA	NA
Island Tel	0.5	10.13	-0.46	-4.5%	9.67	NA	NA
MT&T	4.5	9.89	-0.55	-5.6%	9.34	NA	NA
NBTel	(1.1)	9.12	0.19	2.1%	9.31	NA	NA
Bell	(100.8)	10.39	0.77	7.4%	11.16	NA	NA
Manitoba Tel	(1.5)	6.21	0.14	2.2%	6.34	NA	NA
SaskTel	2.0	6.07	-0.20	-3.2%	5.87	NA	NA
AGT	3.3	8.23	-0.17	-2.1%	8.05	NA	NA
B.C. Tel	(45.0)	10.08	1.69	16.7%	11.77	NA	NA
Total or Mean	(136.3)	9.78	0.66	6.7%	10.43	NA	
Unweighted Average		9.06	0.08	0.9%	9.14	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 8.65 cts/min 20.9% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 10.00%
(Contribution payment to Telecom Canada Pool)

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	0.4	37.82	-0.27	-0.7%	37.55	NA	NA	-0.14%
Island Tel	0.1	30.36	-0.14	-0.5%	30.22	NA	NA	-0.11%
MT&T	0.7	25.60	-0.18	-0.7%	25.42	NA	NA	-0.12%
NBTel	(1.2)	32.22	0.50	1.5%	32.72	NA	NA	0.26%
Bell	(103.3)	35.12	1.71	4.9%	36.84	17.13	77.0%	0.96%
Manitoba Tel	(2.0)	18.19	0.34	1.8%	18.53	NA	NA	0.24%
SaskTel	(0.7)	17.07	0.14	0.8%	17.20	NA	NA	0.08%
AGT	(2.7)	22.85	0.26	1.1%	23.11	NA	NA	0.14%
B.C. Tel	(32.2)	34.72	2.61	7.5%	37.33	26.06	71.6%	1.38%
Total or Mean	(141.0)	31.64	1.40	4.4%	33.03	13.97		0.77%
Unweighted Average		28.22	0.55	2.0%	28.77	5.52		0.30%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	0.4	37.82	-0.14	-0.4%	37.68	NA	NA
Island Tel	0.1	30.36	-0.07	-0.2%	30.30	NA	NA
MT&T	0.7	25.60	-0.09	-0.4%	25.51	NA	NA
NBTel	(1.2)	32.22	0.21	0.7%	32.43	NA	NA
Bell	(103.3)	35.12	0.79	2.2%	35.91	7.87	84.7%
Manitoba Tel	(2.0)	18.19	0.18	1.0%	18.37	NA	NA
SaskTel	(0.7)	17.07	0.07	0.4%	17.14	NA	NA
AGT	(2.7)	22.85	0.14	0.6%	23.00	NA	NA
B.C. Tel	(32.2)	34.72	1.21	3.5%	35.93	12.06	81.5%
Total or Mean	(141.0)	31.64	0.65	2.0%	32.28	6.46	
Unweighted Average		28.22	0.26	0.9%	28.47	2.56	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 8.65 cts/min 20.9% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 10.00%
(Contribution payment to Telecom Canada Pool)

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	0.4	11.39	-0.08	-0.7%	11.31	NA	NA	NA
Island Tel	0.1	10.13	-0.05	-0.5%	10.09	NA	NA	NA
MT&T	0.7	9.89	-0.07	-0.7%	9.82	NA	NA	NA
NBTel	(1.2)	9.12	0.14	1.5%	9.26	NA	NA	NA
Bell	(103.3)	10.39	0.51	4.9%	10.90	5.07	75.1%	12.10
Manitoba Tel	(2.0)	6.21	0.11	1.8%	6.32	NA	NA	NA
SaskTel	(0.7)	6.07	0.05	0.8%	6.12	NA	NA	NA
AGT	(2.7)	8.23	0.09	1.1%	8.32	NA	NA	NA
B.C. Tel	(32.2)	10.08	0.76	7.5%	10.84	7.57	76.6%	15.07
Total or Mean	(141.0)	9.78	0.43	4.4%	10.21	4.30		12.69
Unweighted Average		9.06	0.16	1.8%	9.22	1.63		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	0.4	11.39	-0.14	-1.2%	11.25	NA	NA
Island Tel	0.1	10.13	-0.07	-0.7%	10.06	NA	NA
MT&T	0.7	9.89	-0.09	-0.9%	9.80	NA	NA
NBTel	(1.2)	9.12	0.21	2.3%	9.33	NA	NA
Bell	(103.3)	10.39	0.79	7.6%	11.18	7.87	68.4%
Manitoba Tel	(2.0)	6.21	0.18	2.8%	6.38	NA	NA
SaskTel	(0.7)	6.07	0.07	1.2%	6.14	NA	NA
AGT	(2.7)	8.23	0.14	1.7%	8.37	NA	NA
B.C. Tel	(32.2)	10.08	1.21	12.0%	11.29	12.06	70.2%
Total or Mean	(141.0)	9.78	0.67	6.9%	10.45	6.72	
Unweighted Average		9.06	0.26	2.8%	9.31	2.56	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER		
Geographic Areas of Competition:	Bell-B.C.Tel Only		
Rate Structure:	STATUS QUO RATES		
Contribution Charge:	9.40 cts/min	22.5% of Telco rate.	
Market Lost to Competition:	-20.0%		
Productivity Improvement:	0.0%	Competing rates	
(Contribution payment to Telecom Canada Pool)		discounted by	10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	1.4	37.82	-0.95	-2.5%	36.87	NA	NA	-0.50%
Island Tel	0.3	30.36	-0.62	-2.0%	29.74	NA	NA	-0.49%
MT&T	3.0	25.60	-0.71	-2.8%	24.89	NA	NA	-0.48%
NBTel	(1.8)	32.22	0.74	2.3%	32.96	NA	NA	0.38%
Bell	(161.0)	35.12	2.67	7.6%	37.79	26.69	70.4%	1.53%
Manitoba Tel	(2.8)	18.19	0.47	2.6%	18.66	NA	NA	0.34%
SaskTel	0.3	17.07	-0.05	-0.3%	17.02	NA	NA	-0.03%
AGT	(1.1)	22.85	0.10	0.4%	22.96	NA	NA	0.05%
B.C. Tel	(56.6)	34.72	4.58	13.2%	39.31	45.83	61.1%	2.47%
Total or Mean	(218.2)	31.64	2.17	6.9%	33.81	21.71		1.21%
Unweighted Average		28.22	0.69	2.5%	28.91	6.93		0.36%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	1.4	37.82	-0.49	-1.3%	37.34	NA	NA
Island Tel	0.3	30.36	-0.30	-1.0%	30.06	NA	NA
MT&T	3.0	25.60	-0.37	-1.5%	25.23	NA	NA
NBTel	(1.8)	32.22	0.31	1.0%	32.54	NA	NA
Bell	(161.0)	35.12	1.23	3.5%	36.35	12.26	80.9%
Manitoba Tel	(2.8)	18.19	0.25	1.4%	18.44	NA	NA
SaskTel	0.3	17.07	-0.03	-0.2%	17.04	NA	NA
AGT	(1.1)	22.85	0.06	0.2%	22.91	NA	NA
B.C. Tel	(56.6)	34.72	2.12	6.1%	36.85	21.22	74.7%
Total or Mean	(218.2)	31.64	1.00	3.2%	32.64	9.99	
Unweighted Average		28.22	0.31	1.1%	28.53	3.08	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 9.40 cts/min 22.5% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0%
(Contribution payment to Telecom Canada Pool)

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	1.4	11.39	-0.29	-2.5%	11.10	NA	NA	NA
Island Tel	0.3	10.13	-0.21	-2.0%	9.92	NA	NA	NA
MT&T	3.0	9.89	-0.27	-2.8%	9.62	NA	NA	NA
NBTel	(1.8)	9.12	0.21	2.3%	9.33	NA	NA	NA
Bell	(161.0)	10.39	0.79	7.6%	11.18	7.90	68.4%	12.10
Manitoba Tel	(2.8)	6.21	0.16	2.6%	6.37	NA	NA	NA
SaskTel	0.3	6.07	-0.02	-0.3%	6.05	NA	NA	NA
AGT	(1.1)	8.23	0.04	0.4%	8.26	NA	NA	NA
B.C. Tel	(56.6)	10.08	1.33	13.2%	11.41	13.31	68.4%	15.01
Total or Mean	(218.2)	9.78	0.67	6.8%	10.44	6.68		12.53
Unweighted Average		9.06	0.19	2.1%	9.25	1.94		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	1.4	11.39	-0.49	-4.3%	10.90	NA	NA
Island Tel	0.3	10.13	-0.30	-3.0%	9.83	NA	NA
MT&T	3.0	9.89	-0.37	-3.8%	9.52	NA	NA
NBTel	(1.8)	9.12	0.31	3.4%	9.43	NA	NA
Bell	(161.0)	10.39	1.23	11.8%	11.62	12.26	57.5%
Manitoba Tel	(2.8)	6.21	0.25	4.0%	6.45	NA	NA
SaskTel	0.3	6.07	-0.03	-0.5%	6.04	NA	NA
AGT	(1.1)	8.23	0.06	0.7%	8.28	NA	NA
B.C. Tel	(56.6)	10.08	2.12	21.0%	12.20	21.22	57.4%
Total or Mean	(218.2)	9.78	1.05	10.7%	10.82	10.45	
Unweighted Average		9.06	0.31	3.4%	9.36	3.08	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 6.00 cts/min 14.5% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%
(Contribution payment to Telecom Canada Pool)

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(0.1)	37.82	0.04	0.1%	37.87	NA	NA	0.02%
Island Tel	(0.1)	30.36	0.14	0.5%	30.50	NA	NA	0.11%
MT&T	(0.4)	25.60	0.10	0.4%	25.70	NA	NA	0.07%
NBTel	(1.8)	32.22	0.74	2.3%	32.96	NA	NA	0.38%
Bell	(154.5)	35.12	2.56	7.3%	37.69	10.25	82.6%	1.44%
Manitoba Tel	(3.0)	18.19	0.51	2.8%	18.70	NA	NA	0.37%
SaskTel	(2.1)	17.07	0.40	2.3%	17.47	NA	NA	0.24%
AGT	(6.3)	22.85	0.61	2.7%	23.46	NA	NA	0.32%
B.C. Tel	(42.2)	34.72	3.42	9.8%	38.14	13.67	80.2%	1.81%
Total or Mean	(210.7)	31.64	2.08	6.6%	33.72	8.33		1.16%
Unweighted Average		28.22	0.95	3.4%	29.17	3.79		0.53%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(0.1)	37.82	0.02	0.1%	37.84	NA	NA
Island Tel	(0.1)	30.36	0.07	0.2%	30.43	NA	NA
MT&T	(0.4)	25.60	0.06	0.2%	25.65	NA	NA
NBTel	(1.8)	32.22	0.31	1.0%	32.53	NA	NA
Bell	(154.5)	35.12	1.18	3.4%	36.30	4.71	87.6%
Manitoba Tel	(3.0)	18.19	0.27	1.5%	18.46	NA	NA
SaskTel	(2.1)	17.07	0.21	1.3%	17.28	NA	NA
AGT	(6.3)	22.85	0.34	1.5%	23.19	NA	NA
B.C. Tel	(42.2)	34.72	1.58	4.6%	36.31	6.33	86.4%
Total or Mean	(210.7)	31.64	0.97	3.1%	32.60	3.87	
Unweighted Average		28.22	0.45	1.6%	28.67	1.79	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 6.00 cts/min 14.5% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%
(Contribution payment to Telecom Canada Pool)

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(0.1)	11.39	0.01	0.1%	11.40	NA	NA	NA
Island Tel	(0.1)	10.13	0.05	0.5%	10.18	NA	NA	NA
MT&T	(0.4)	9.89	0.04	0.4%	9.93	NA	NA	NA
NBTel	(1.8)	9.12	0.21	2.3%	9.33	NA	NA	NA
Bell	(154.5)	10.39	0.76	7.3%	11.15	3.03	79.1%	10.59
Manitoba Tel	(3.0)	6.21	0.17	2.8%	6.38	NA	NA	NA
SaskTel	(2.1)	6.07	0.14	2.3%	6.21	NA	NA	NA
AGT	(6.3)	8.23	0.22	2.7%	8.45	NA	NA	NA
B.C. Tel	(42.2)	10.08	0.99	9.8%	11.08	3.97	81.1%	13.48
Total or Mean	(210.7)	9.78	0.64	6.6%	10.42	2.57		11.36
Unweighted Average		9.06	0.29	3.2%	9.34	1.15		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(0.1)	11.39	0.02	0.2%	11.41	NA	NA
Island Tel	(0.1)	10.13	0.07	0.7%	10.20	NA	NA
MT&T	(0.4)	9.89	0.06	0.6%	9.94	NA	NA
NBTel	(1.8)	9.12	0.31	3.4%	9.43	NA	NA
Bell	(154.5)	10.39	1.18	11.3%	11.57	4.71	75.9%
Manitoba Tel	(3.0)	6.21	0.27	4.3%	6.47	NA	NA
SaskTel	(2.1)	6.07	0.21	3.5%	6.28	NA	NA
AGT	(6.3)	8.23	0.34	4.1%	8.56	NA	NA
B.C. Tel	(42.2)	10.08	1.58	15.7%	11.67	6.33	78.3%
Total or Mean	(210.7)	9.78	1.00	10.2%	10.78	4.00	
Unweighted Average		9.06	0.45	4.9%	9.50	1.79	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 6.65 cts/min 15.9% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%
(Contribution payment to Telecom Canada Pool)

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	0.4	37.82	-0.30	-0.8%	37.52	NA	NA	-0.16%
Island Tel	0.0	30.36	-0.04	-0.1%	30.32	NA	NA	-0.03%
MT&T	0.5	25.60	-0.12	-0.5%	25.48	NA	NA	-0.08%
NBTel	(3.1)	32.22	1.24	3.8%	33.46	NA	NA	0.64%
Bell	(265.0)	35.12	4.39	12.5%	39.52	17.58	76.7%	2.51%
Manitoba Tel	(4.9)	18.19	0.83	4.6%	19.02	NA	NA	0.60%
SaskTel	(2.6)	17.07	0.49	2.9%	17.56	NA	NA	0.29%
AGT	(8.6)	22.85	0.82	3.6%	23.68	NA	NA	0.43%
B.C. Tel	(76.7)	34.72	6.21	17.9%	40.93	24.83	72.4%	3.35%
Total or Mean	(360.0)	31.64	3.56	11.3%	35.20	14.25		2.00%
Unweighted Average		28.22	1.50	5.3%	29.72	6.01		0.84%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	0.4	37.82	-0.15	-0.4%	37.67	NA	NA
Island Tel	0.0	30.36	-0.02	-0.1%	30.34	NA	NA
MT&T	0.5	25.60	-0.06	-0.3%	25.54	NA	NA
NBTel	(3.1)	32.22	0.52	1.6%	32.74	NA	NA
Bell	(265.0)	35.12	2.02	5.7%	37.14	8.08	84.5%
Manitoba Tel	(4.9)	18.19	0.44	2.4%	18.63	NA	NA
SaskTel	(2.6)	17.07	0.26	1.6%	17.33	NA	NA
AGT	(8.6)	22.85	0.45	2.0%	23.31	NA	NA
B.C. Tel	(76.7)	34.72	2.87	8.3%	37.60	11.50	82.0%
Total or Mean	(360.0)	31.64	1.65	5.2%	33.29	6.60	
Unweighted Average		28.22	0.70	2.5%	28.92	2.81	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 6.65 cts/min 15.9% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%
(Contribution payment to Telecom Canada Pool)

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	0.4	11.39	-0.09	-0.8%	11.30	NA	NA	NA
Island Tel	0.0	10.13	-0.01	-0.1%	10.12	NA	NA	NA
MT&T	0.5	9.89	-0.05	-0.5%	9.84	NA	NA	NA
NBTel	(3.1)	9.12	0.35	3.8%	9.47	NA	NA	NA
Bell	(265.0)	10.39	1.30	12.5%	11.69	5.20	74.8%	10.60
Manitoba Tel	(4.9)	6.21	0.28	4.6%	6.49	NA	NA	NA
SaskTel	(2.6)	6.07	0.18	2.9%	6.24	NA	NA	NA
AGT	(8.6)	8.23	0.30	3.6%	8.52	NA	NA	NA
B.C. Tel	(76.7)	10.08	1.80	17.9%	11.89	7.21	77.1%	13.40
Total or Mean	(360.0)	9.78	1.10	11.2%	10.87	4.39		11.24
Unweighted Average		9.06	0.45	5.0%	9.51	1.80		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	0.4	11.39	-0.15	-1.3%	11.24	NA	NA
Island Tel	0.0	10.13	-0.02	-0.2%	10.11	NA	NA
MT&T	0.5	9.89	-0.06	-0.7%	9.82	NA	NA
NBTel	(3.1)	9.12	0.52	5.7%	9.64	NA	NA
Bell	(265.0)	10.39	2.02	19.4%	12.41	8.08	67.9%
Manitoba Tel	(4.9)	6.21	0.44	7.0%	6.64	NA	NA
SaskTel	(2.6)	6.07	0.26	4.4%	6.33	NA	NA
AGT	(8.6)	8.23	0.45	5.5%	8.68	NA	NA
B.C. Tel	(76.7)	10.08	2.87	28.5%	12.96	11.50	71.0%
Total or Mean	(360.0)	9.78	1.71	17.5%	11.49	6.85	
Unweighted Average		9.06	0.70	7.8%	9.76	2.81	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates
(Contribution payment to Telecom Canada Pool) discounted by 59.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.7)	37.82	1.16	3.1%	38.98	NA	NA	0.60%
Island Tel	(0.6)	30.36	1.12	3.7%	31.48	NA	NA	0.89%
MT&T	(4.7)	25.60	1.10	4.3%	26.70	NA	NA	0.75%
NBTel	(3.9)	32.22	1.58	4.9%	33.81	NA	NA	0.82%
Bell	(336.9)	35.12	5.59	15.9%	40.71	9.39	83.3%	3.14%
Manitoba Tel	(6.7)	18.19	1.13	6.2%	19.32	NA	NA	0.82%
SaskTel	(7.2)	17.07	1.33	7.8%	18.40	NA	NA	0.79%
AGT	(19.2)	22.85	1.85	8.1%	24.70	NA	NA	0.96%
B.C. Tel	(78.0)	34.72	6.31	18.2%	41.04	10.61	82.7%	3.35%
Total or Mean	(459.0)	31.64	4.52	14.3%	36.16	7.60		2.52%
Unweighted Average		28.22	2.35	8.3%	30.57	3.96		1.35%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

Nfld Tel	(1.7)	37.82	0.59	1.6%	38.41	NA	NA
Island Tel	(0.6)	30.36	0.54	1.8%	30.90	NA	NA
MT&T	(4.7)	25.60	0.58	2.3%	26.18	NA	NA
NBTel	(3.9)	32.22	0.67	2.1%	32.89	NA	NA
Bell	(336.9)	35.12	2.57	7.3%	37.69	4.31	88.0%
Manitoba Tel	(6.7)	18.19	0.60	3.3%	18.79	NA	NA
SaskTel	(7.2)	17.07	0.72	4.2%	17.79	NA	NA
AGT	(19.2)	22.85	1.02	4.5%	23.87	NA	NA
B.C. Tel	(78.0)	34.72	2.92	8.4%	37.65	4.91	87.7%
Total or Mean	(459.0)	31.64	2.11	6.7%	33.75	3.54	
Unweighted Average		28.22	1.13	4.0%	29.35	1.91	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 59.50%
(Contribution payment to Telecom Canada Pool)

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(1.7)	11.39	0.35	3.1%	11.74	NA	NA	NA
Island Tel	(0.6)	10.13	0.37	3.7%	10.51	NA	NA	NA
MT&T	(4.7)	9.89	0.43	4.3%	10.31	NA	NA	NA
NBTel	(3.9)	9.12	0.45	4.9%	9.57	NA	NA	NA
Bell	(336.9)	10.39	1.65	15.9%	12.05	2.78	79.6%	6.70
Manitoba Tel	(6.7)	6.21	0.39	6.2%	6.59	NA	NA	NA
SaskTel	(7.2)	6.07	0.47	7.8%	6.54	NA	NA	NA
AGT	(19.2)	8.23	0.67	8.1%	8.89	NA	NA	NA
B.C. Tel	(78.0)	10.08	1.83	18.2%	11.92	3.08	82.1%	9.26
Total or Mean	(459.0)	9.78	1.40	14.3%	11.17	2.35		7.82
Unweighted Average		9.06	0.73	8.1%	9.79	1.23		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(1.7)	11.39	0.59	5.2%	11.98	NA	NA
Island Tel	(0.6)	10.13	0.54	5.3%	10.67	NA	NA
MT&T	(4.7)	9.89	0.58	5.9%	10.47	NA	NA
NBTel	(3.9)	9.12	0.67	7.3%	9.79	NA	NA
Bell	(336.9)	10.39	2.57	24.7%	12.96	4.31	76.7%
Manitoba Tel	(6.7)	6.21	0.60	9.6%	6.80	NA	NA
SaskTel	(7.2)	6.07	0.72	11.8%	6.79	NA	NA
AGT	(19.2)	8.23	1.02	12.4%	9.25	NA	NA
B.C. Tel	(78.0)	10.08	2.92	29.0%	13.01	4.91	80.0%
Total or Mean	(459.0)	9.78	2.17	22.2%	11.95	3.65	
Unweighted Average		9.06	1.13	12.5%	10.19	1.91	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER		
Geographic Areas of Competition:	Bell-B.C.Tel Only		
Rate Structure:	STATUS QUO RATES		
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.	
Market Lost to Competition:	-20.0%		
Productivity Improvement:	0.0%	Competing rates	
(Contribution payment to Telecom Canada Pool)		discounted by	62.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.4)	37.82	2.26	6.0%	40.08	NA	NA	1.16%
Island Tel	(1.2)	30.36	2.21	7.3%	32.57	NA	NA	1.75%
MT&T	(9.2)	25.60	2.16	8.4%	27.76	NA	NA	1.48%
NBTel	(7.9)	32.22	3.18	9.9%	35.41	NA	NA	1.65%
Bell	(671.9)	35.12	11.14	31.7%	46.26	17.97	76.4%	6.37%
Manitoba Tel	(13.3)	18.19	2.25	12.4%	20.44	NA	NA	1.62%
SaskTel	(14.1)	17.07	2.62	15.3%	19.69	NA	NA	1.55%
AGT	(38.0)	22.85	3.65	16.0%	26.50	NA	NA	1.90%
B.C. Tel	(155.3)	34.72	12.57	36.2%	47.29	20.27	75.4%	6.79%
Total or Mean	(914.3)	31.64	9.00	28.5%	40.64	14.52		5.07%
Unweighted Average		28.22	4.67	16.6%	32.89	7.53		2.70%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(3.4)	37.82	1.15	3.0%	38.98	NA	NA
Island Tel	(1.2)	30.36	1.07	3.5%	31.43	NA	NA
MT&T	(9.2)	25.60	1.14	4.5%	26.74	NA	NA
NBTel	(7.9)	32.22	1.34	4.2%	33.56	NA	NA
Bell	(671.9)	35.12	5.12	14.6%	40.24	8.26	84.3%
Manitoba Tel	(13.3)	18.19	1.18	6.5%	19.37	NA	NA
SaskTel	(14.1)	17.07	1.41	8.3%	18.48	NA	NA
AGT	(38.0)	22.85	2.01	8.8%	24.87	NA	NA
B.C. Tel	(155.3)	34.72	5.82	16.8%	40.54	9.38	83.7%
Total or Mean	(914.3)	31.64	4.20	13.3%	35.84	6.77	
Unweighted Average		28.22	2.25	8.0%	30.47	3.63	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0%
(Contribution payment to Telecom Canada Pool)

Competing rates discounted by 62.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.4)	11.39	0.68	6.0%	12.07	NA	NA	NA
Island Tel	(1.2)	10.13	0.74	7.3%	10.87	NA	NA	NA
MT&T	(9.2)	9.89	0.83	8.4%	10.72	NA	NA	NA
NBTel	(7.9)	9.12	0.90	9.9%	10.02	NA	NA	NA
Bell	(671.9)	10.39	3.30	31.7%	13.69	5.32	74.6%	6.44
Manitoba Tel	(13.3)	6.21	0.77	12.4%	6.97	NA	NA	NA
SaskTel	(14.1)	6.07	0.93	15.3%	7.00	NA	NA	NA
AGT	(38.0)	8.23	1.31	16.0%	9.54	NA	NA	NA
B.C. Tel	(155.3)	10.08	3.65	36.2%	13.73	5.89	78.8%	8.79
Total or Mean	(914.3)	9.78	2.78	28.4%	12.56	4.48		7.49
Unweighted Average		9.06	1.46	16.1%	10.51	2.35		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(3.4)	11.39	1.15	10.1%	12.54	NA	NA
Island Tel	(1.2)	10.13	1.07	10.5%	11.20	NA	NA
MT&T	(9.2)	9.89	1.14	11.5%	11.03	NA	NA
NBTel	(7.9)	9.12	1.34	14.7%	10.46	NA	NA
Bell	(671.9)	10.39	5.12	49.3%	15.51	8.26	67.5%
Manitoba Tel	(13.3)	6.21	1.18	19.0%	7.39	NA	NA
SaskTel	(14.1)	6.07	1.41	23.2%	7.48	NA	NA
AGT	(38.0)	8.23	2.01	24.5%	10.24	NA	NA
B.C. Tel	(155.3)	10.08	5.82	57.7%	15.90	9.38	74.0%
Total or Mean	(914.3)	9.78	4.33	44.3%	14.10	6.98	
Unweighted Average		9.06	2.25	24.8%	11.31	3.63	

STATUS QUO RATES

Telecom Canada Members

S(T)

1. STATUS QUO RATES

Telecom Canada Members

S(T)

SEQUENCE OF TABLES

0% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

10% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

25% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

Maximum rate discount by Competitor
(no contribution payment)
    10% market loss by Telcos
    20% market loss by Telcos

For explanation of Tables, see Pages III-1 to III-7 of the Final Report

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER		
Geographic Areas of Competition:	Telecom Canada Members		
Rate Structure:	STATUS QUO RATES		
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.	
Market Lost to Competition:	0.0%		
Productivity Improvement:	0.0%	Competing rates discounted by	0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA		0.00%
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA	0.00%
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA	0.00%
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA	0.00%
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA	0.00%
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA		0.00%
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA		0.00%
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA	0.00%
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA	0.00%
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA		0.00%
Unweighted Average		28.22	0.00	0.0%	28.22	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA	
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA	
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA	
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA	
Unweighted Average		28.22	0.00	0.0%	28.22	NA	

TELECOM CANADA MEMBERS

INPUTS: Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate
Market Lost to Competition: 0.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA		NA
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA		NA
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA		NA
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA		NA
Unweighted Average		9.06	0.00	0.0%	9.06	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA	
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA	
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA	
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA	
Unweighted Average		9.06	0.00	0.0%	9.06	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 11.60 cts/min 26.4% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.0)	37.82	2.04	5.4%	39.86	NA		1.09%
Island Tel	(0.7)	30.36	1.22	4.0%	31.58	NA	NA	0.98%
MT&T	(8.5)	25.60	1.99	7.8%	27.59	NA	NA	1.39%
NBTel	(7.6)	32.22	3.09	9.6%	35.31	NA	NA	1.64%
Bell	(99.0)	35.12	1.64	4.7%	36.76	NA	NA	0.92%
Manitoba Tel	(0.4)	18.19	0.07	0.4%	18.26	NA		0.05%
SaskTel	(11.6)	17.07	2.16	12.6%	19.23	NA		1.30%
AGT	(33.8)	22.85	3.24	14.2%	26.10	NA	NA	1.73%
B.C. Tel	(28.7)	34.72	2.32	6.7%	37.05	NA	NA	1.24%
Total or Mean	(193.3)	31.64	1.87	5.9%	33.51	NA		1.07%
Unweighted Average		28.22	1.97	7.0%	30.19	NA		1.15%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

Nfld Tel	(3.0)	37.82	1.04	2.8%	38.86	NA	
Island Tel	(0.7)	30.36	0.59	1.9%	30.95	NA	NA
MT&T	(8.5)	25.60	1.05	4.1%	26.65	NA	NA
NBTel	(7.6)	32.22	1.30	4.0%	33.52	NA	NA
Bell	(99.0)	35.12	0.75	2.1%	35.88	NA	NA
Manitoba Tel	(0.4)	18.19	0.04	0.2%	18.23	NA	
SaskTel	(11.6)	17.07	1.16	6.8%	18.23	NA	
AGT	(33.8)	22.85	1.79	7.8%	24.64	NA	NA
B.C. Tel	(28.7)	34.72	1.07	3.1%	35.80	NA	NA
Total or Mean	(193.3)	31.64	0.90	2.9%	32.54	NA	
Unweighted Average		28.22	0.98	3.5%	29.20	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
Geographic Areas of Competition:	Telecom Canada Members	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	11.60 cts/min	26.4% of Telco rate.
Market Lost to Competition.	-10.0%	
Productivity Improvement:	0.0%	Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.0)	11.39	0.62	5.4%	12.00	NA		17.64
Island Tel	(0.7)	10.13	0.41	4.0%	10.54	NA	NA	15.34
MT&T	(8.5)	9.89	0.77	7.8%	10.66	NA	NA	17.81
NBTel	(7.6)	9.12	0.87	9.6%	9.99	NA	NA	16.91
Bell	(99.0)	10.39	0.49	4.7%	10.88	NA	NA	14.91
Manitoba Tel	(0.4)	6.21	0.02	0.4%	6.23	NA		11.77
SaskTel	(11.6)	6.07	0.77	12.6%	6.84	NA		16.46
AGT	(33.8)	8.23	1.17	14.2%	9.40	NA	NA	21.11
B.C. Tel	(28.7)	10.08	0.67	6.7%	10.76	NA	NA	16.49
Total or Mean	(193.3)	9.78	0.57	5.9%	10.35	NA		15.66
Unweighted Average		9.06	0.64	7.1%	9.70	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(3.0)	11.39	1.04	9.1%	12.43	NA	
Island Tel	(0.7)	10.13	0.59	5.8%	10.72	NA	NA
MT&T	(8.5)	9.89	1.05	10.6%	10.94	NA	NA
NBTel	(7.6)	9.12	1.30	14.2%	10.42	NA	NA
Bell	(99.0)	10.39	0.75	7.3%	11.15	NA	NA
Manitoba Tel	(0.4)	6.21	0.04	0.6%	6.24	NA	
SaskTel	(11.6)	6.07	1.16	19.2%	7.23	NA	
AGT	(33.8)	8.23	1.79	21.8%	10.02	NA	NA
B.C. Tel	(28.7)	10.08	1.07	10.7%	11.16	NA	NA
Total or Mean	(193.3)	9.78	0.88	9.0%	10.66	NA	
Unweighted Average		9.06	0.98	10.8%	10.03	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 12.50 cts/min 28.4% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(4.7)	37.82	3.13	8.3%	40.95	NA		1.71%
Island Tel	(0.9)	30.36	1.70	5.6%	32.06	NA	NA	1.40%
MT&T	(13.8)	25.60	3.23	12.6%	28.83	NA	NA	2.31%
NBTel	(12.8)	32.22	5.17	16.0%	37.39	NA	NA	2.79%
Bell	(136.1)	35.12	2.26	6.4%	37.38	NA	NA	1.29%
Manitoba Tel	3.3	18.19	-0.56	-3.1%	17.64	NA		-0.42%
SaskTel	(18.8)	17.07	3.50	20.5%	20.57	NA		2.16%
AGT	(57.8)	22.85	5.55	24.3%	28.40	NA	NA	3.04%
B.C. Tel	(43.1)	34.72	3.49	10.0%	38.21	NA	NA	1.90%
Total or Mean	(284.6)	31.64	2.75	8.7%	34.39	NA		1.60%
Unweighted Average		28.22	3.05	10.8%	31.27	NA		1.80%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

Nfld Tel	(4.7)	37.82	1.59	4.2%	39.42	NA	
Island Tel	(0.9)	30.36	0.82	2.7%	31.18	NA	NA
MT&T	(13.8)	25.60	1.70	6.7%	27.30	NA	NA
NBTel	(12.8)	32.22	2.17	6.7%	34.40	NA	NA
Bell	(136.1)	35.12	1.04	3.0%	36.16	NA	NA
Manitoba Tel	3.3	18.19	-0.29	-1.6%	17.90	NA	
SaskTel	(18.8)	17.07	1.88	11.0%	18.95	NA	
AGT	(57.8)	22.85	3.06	13.4%	25.92	NA	NA
B.C. Tel	(43.1)	34.72	1.61	4.6%	36.34	NA	NA
Total or Mean	(284.6)	31.64	1.33	4.2%	32.97	NA	
Unweighted Average		28.22	1.51	5.4%	29.73	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 12.50 cts/min 28.4% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(4.7)	11.39	0.94	8.3%	12.33	NA		17.13
Island Tel	(0.9)	10.13	0.57	5.6%	10.70	NA	NA	15.11
MT&T	(13.8)	9.89	1.25	12.6%	11.14	NA	NA	17.54
NBTel	(12.8)	9.12	1.46	16.0%	10.58	NA	NA	16.94
Bell	(136.1)	10.39	0.67	6.4%	11.06	NA	NA	14.78
Manitoba Tel	3.3	6.21	-0.19	-3.1%	6.02	NA		11.83
SaskTel	(18.8)	6.07	1.24	20.5%	7.31	NA		16.43
AGT	(57.8)	8.23	2.00	24.3%	10.23	NA	NA	20.63
B.C. Tel	(43.1)	10.08	1.01	10.0%	11.10	NA	NA	16.17
Total or Mean	(284.6)	9.78	0.84	8.6%	10.61	NA		15.49
Unweighted Average		9.06	0.99	11.0%	10.05	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(4.7)	11.39	1.59	14.0%	12.98	NA	
Island Tel	(0.9)	10.13	0.82	8.1%	10.95	NA	NA
MT&T	(13.8)	9.89	1.70	17.2%	11.59	NA	NA
NBTel	(12.8)	9.12	2.17	23.8%	11.29	NA	NA
Bell	(136.1)	10.39	1.04	10.0%	11.43	NA	NA
Manitoba Tel	3.3	6.21	-0.29	-4.7%	5.91	NA	
SaskTel	(18.8)	6.07	1.88	31.0%	7.95	NA	
AGT	(57.8)	8.23	3.06	37.2%	11.29	NA	NA
B.C. Tel	(43.1)	10.08	1.61	16.0%	11.70	NA	NA
Total or Mean	(284.6)	9.78	1.29	13.2%	11.07	NA	
Unweighted Average		9.06	1.51	16.7%	10.57	NA	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	9.70 cts/min	22.0% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.9)	37.82	2.63	7.0%	40.45	26.32		1.40%
Island Tel	(0.9)	30.36	1.66	5.5%	32.03	16.64	61.8%	1.34%
MT&T	(10.5)	25.60	2.46	9.6%	28.06	24.60	57.3%	1.72%
NBTel	(9.2)	32.22	3.72	11.5%	35.94	37.19	54.3%	1.97%
Bell	(134.9)	35.12	2.24	6.4%	37.36	22.37	73.2%	1.26%
Manitoba Tel	(3.0)	18.19	0.51	2.8%	18.70	5.14		0.38%
SaskTel	(14.4)	17.07	2.69	15.8%	19.76	26.89		1.62%
AGT	(40.0)	22.85	3.84	16.8%	26.69	38.37	54.6%	2.05%
B.C. Tel	(37.4)	34.72	3.03	8.7%	37.75	30.30	69.1%	1.62%
Total or Mean	(254.3)	31.64	2.46	7.8%	34.10	24.64		1.41%
Unweighted Average		28.22	2.53	9.0%	30.75	25.31		1.48%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(3.9)	37.82	1.34	3.5%	39.16	13.42	
Island Tel	(0.9)	30.36	0.80	2.6%	31.17	8.04	69.4%
MT&T	(10.5)	25.60	1.30	5.1%	26.90	12.98	65.1%
NBTel	(9.2)	32.22	1.56	4.9%	33.79	15.63	72.0%
Bell	(134.9)	35.12	1.03	2.9%	36.15	10.28	82.5%
Manitoba Tel	(3.0)	18.19	0.27	1.5%	18.46	2.70	
SaskTel	(14.4)	17.07	1.45	8.5%	18.52	14.48	
AGT	(40.0)	22.85	2.12	9.3%	24.97	21.17	67.6%
B.C. Tel	(37.4)	34.72	1.40	4.0%	36.13	14.03	79.9%
Total or Mean	(254.3)	31.64	1.19	3.8%	32.82	11.86	
Unweighted Average		28.22	1.25	4.4%	29.47	12.53	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	9.70 cts/min	22.0% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.9)	11.39	0.79	7.0%	12.18	7.93		16.97
Island Tel	(0.9)	10.13	0.56	5.5%	10.69	5.55	74.6%	14.47
MT&T	(10.5)	9.89	0.95	9.6%	10.84	9.50	70.6%	16.87
NBTel	(9.2)	9.12	1.05	11.5%	10.17	10.53	63.8%	15.67
Bell	(134.9)	10.39	0.66	6.4%	11.05	6.62	71.5%	13.91
Manitoba Tel	(3.0)	6.21	0.18	2.8%	6.38	1.75		10.86
SaskTel	(14.4)	6.07	0.96	15.8%	7.03	9.56		15.35
AGT	(40.0)	8.23	1.38	16.8%	9.61	13.81	66.9%	20.20
B.C. Tel	(37.4)	10.08	0.88	8.7%	10.96	8.80	74.9%	15.65
Total or Mean	(254.3)	9.78	0.75	7.7%	10.53	7.55		14.69
Unweighted Average		9.06	0.82	9.1%	9.88	8.23		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(3.9)	11.39	1.34	11.8%	12.73	13.42	
Island Tel	(0.9)	10.13	0.80	7.9%	10.94	8.04	70.3%
MT&T	(10.5)	9.89	1.30	13.1%	11.19	12.98	64.1%
NBTel	(9.2)	9.12	1.56	17.1%	10.68	15.63	51.9%
Bell	(134.9)	10.39	1.03	9.9%	11.42	10.28	62.4%
Manitoba Tel	(3.0)	6.21	0.27	4.3%	6.48	2.70	
SaskTel	(14.4)	6.07	1.45	23.9%	7.52	14.48	
AGT	(40.0)	8.23	2.12	25.7%	10.35	21.17	58.3%
B.C. Tel	(37.4)	10.08	1.40	13.9%	11.49	14.03	67.3%
Total or Mean	(254.3)	9.78	1.17	11.9%	10.94	11.66	
Unweighted Average		9.06	1.25	13.8%	10.31	12.53	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 10.50 cts/min 23.9% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(6.5)	37.82	4.35	11.5%	42.17	43.49		2.37%
Island Tel	(1.4)	30.36	2.62	8.6%	32.98	26.19	55.5%	2.16%
MT&T	(18.0)	25.60	4.21	16.4%	29.81	42.08	49.0%	3.01%
NBTel	(16.0)	32.22	6.47	20.1%	38.70	64.73	41.4%	3.50%
Bell	(211.0)	35.12	3.50	10.0%	38.62	34.98	65.6%	2.01%
Manitoba Tel	(2.2)	18.19	0.37	2.0%	18.56	3.66		0.28%
SaskTel	(24.7)	17.07	4.60	26.9%	21.66	45.95		2.84%
AGT	(70.5)	22.85	6.78	29.6%	29.63	67.75	40.5%	3.71%
B.C. Tel	(61.2)	34.72	4.96	14.3%	39.68	49.55	59.5%	2.70%
Total or Mean	(411.5)	31.64	3.98	12.6%	35.62	39.82		2.32%
Unweighted Average		28.22	4.20	14.9%	32.42	42.04		2.51%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(6.5)	37.82	2.22	5.9%	40.04	22.17	
Island Tel	(1.4)	30.36	1.27	4.2%	31.63	12.66	65.1%
MT&T	(18.0)	25.60	2.22	8.7%	27.82	22.21	58.7%
NBTel	(16.0)	32.22	2.72	8.4%	34.95	27.21	61.3%
Bell	(211.0)	35.12	1.61	4.6%	36.73	16.07	77.8%
Manitoba Tel	(2.2)	18.19	0.19	1.1%	18.38	1.92	
SaskTel	(24.7)	17.07	2.47	14.5%	19.54	24.74	
AGT	(70.5)	22.85	3.74	16.4%	26.59	37.39	55.2%
B.C. Tel	(61.2)	34.72	2.29	6.6%	37.02	22.94	73.6%
Total or Mean	(411.5)	31.64	1.92	6.1%	33.56	19.22	
Unweighted Average		28.22	2.08	7.4%	30.30	20.81	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
Geographic Areas of Competition:	Telecom Canada Members	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	10.50 cts/min	23.9% of Telco rate.
Market Lost to Competition:	-20.0%	
Productivity Improvement:	0.0%	Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(6.5)	11.39	1.31	11.5%	12.70	13.10		16.50
Island Tel	(1.4)	10.13	0.87	8.6%	11.01	8.74	69.1%	14.25
MT&T	(18.0)	9.89	1.63	16.4%	11.51	16.25	58.2%	16.64
NBTel	(16.0)	9.12	1.83	20.1%	10.95	18.32	46.7%	15.70
Bell	(211.0)	10.39	1.04	10.0%	11.43	10.35	62.2%	13.79
Manitoba Tel	(2.2)	6.21	0.12	2.0%	6.33	1.25		10.91
SaskTel	(24.7)	6.07	1.63	26.9%	7.70	16.34		15.33
AGT	(70.5)	8.23	2.44	29.6%	10.67	24.39	55.1%	19.77
B.C. Tel	(61.2)	10.08	1.44	14.3%	11.52	14.39	66.8%	15.37
Total or Mean	(411.5)	9.78	1.22	12.5%	10.99	12.19		14.53
Unweighted Average		9.06	1.37	15.1%	10.42	13.68		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(6.5)	11.39	2.22	19.5%	13.61	22.17	
Island Tel	(1.4)	10.13	1.27	12.5%	11.40	12.66	63.0%
MT&T	(18.0)	9.89	2.22	22.5%	12.11	22.21	48.6%
NBTel	(16.0)	9.12	2.72	29.8%	11.84	27.21	33.8%
Bell	(211.0)	10.39	1.61	15.5%	12.00	16.07	48.9%
Manitoba Tel	(2.2)	6.21	0.19	3.1%	6.40	1.92	
SaskTel	(24.7)	6.07	2.47	40.8%	8.54	24.74	
AGT	(70.5)	8.23	3.74	45.4%	11.97	37.39	44.5%
B.C. Tel	(61.2)	10.08	2.29	22.7%	12.38	22.94	55.2%
Total or Mean	(411.5)	9.78	1.88	19.3%	11.66	18.82	
Unweighted Average		9.06	2.08	23.0%	11.14	20.81	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	6.85 cts/min	15.6% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(5.5)	37.82	3.67	9.7%	41.49	14.67		1.95%
Island Tel	(1.3)	30.36	2.44	8.0%	32.81	9.78	67.7%	1.97%
MT&T	(14.1)	25.60	3.29	12.8%	28.89	13.15	64.9%	2.30%
NBTel	(11.9)	32.22	4.82	15.0%	37.05	19.30	68.2%	2.56%
Bell	(198.0)	35.12	3.28	9.3%	38.41	13.13	80.1%	1.85%
Manitoba Tel	(7.7)	18.19	1.29	7.1%	19.49	5.18		0.95%
SaskTel	(19.4)	17.07	3.62	21.2%	20.69	14.48		2.19%
AGT	(50.8)	22.85	4.88	21.3%	27.73	19.51	69.2%	2.60%
B.C. Tel	(52.8)	34.72	4.28	12.3%	39.00	17.10	77.6%	2.28%
Total or Mean	(361.6)	31.64	3.51	11.1%	35.15	14.03		2.00%
Unweighted Average		28.22	3.51	12.4%	31.73	14.03		2.07%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(5.5)	37.82	1.87	4.9%	39.69	7.48	
Island Tel	(1.3)	30.36	1.18	3.9%	31.54	4.72	73.1%
MT&T	(14.1)	25.60	1.74	6.8%	27.34	6.94	70.3%
NBTel	(11.9)	32.22	2.03	6.3%	34.25	8.11	81.2%
Bell	(198.0)	35.12	1.51	4.3%	36.63	6.03	86.4%
Manitoba Tel	(7.7)	18.19	0.68	3.7%	18.87	2.72	
SaskTel	(19.4)	17.07	1.95	11.4%	19.02	7.80	
AGT	(50.8)	22.85	2.69	11.8%	25.55	10.77	78.2%
B.C. Tel	(52.8)	34.72	1.98	5.7%	36.70	7.92	85.0%
Total or Mean	(361.6)	31.64	1.68	5.3%	33.32	6.74	
Unweighted Average		28.22	1.74	6.2%	29.95	6.94	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 6.85 cts/min 15.6% of Telco rate
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(5.5)	11.39	1.10	9.7%	12.49	4.42		15.84
Island Tel	(1.3)	10.13	0.82	8.0%	10.95	3.26	78.7%	13.07
MT&T	(14.1)	9.89	1.27	12.8%	11.16	5.08	78.4%	15.37
NBTel	(11.9)	9.12	1.37	15.0%	10.49	5.46	77.4%	13.73
Bell	(198.0)	10.39	0.97	9.3%	11.36	3.89	77.6%	12.34
Manitoba Tel	(7.7)	6.21	0.44	7.1%	6.65	1.77		9.45
SaskTel	(19.4)	6.07	1.29	21.2%	7.36	5.15		13.60
AGT	(50.8)	8.23	1.76	21.3%	9.98	7.03	76.1%	18.71
B.C. Tel	(52.8)	10.08	1.24	12.3%	11.32	4.97	80.0%	14.32
Total or Mean	(361.6)	9.78	1.08	11.0%	10.85	4.30		13.15
Unweighted Average		9.06	1.14	12.6%	10.20	4.56		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(5.5)	11.39	1.87	16.4%	13.26	7.48	
Island Tel	(1.3)	10.13	1.18	11.7%	11.31	4.72	76.1%
MT&T	(14.1)	9.89	1.74	17.6%	11.62	6.94	75.2%
NBTel	(11.9)	9.12	2.03	22.2%	11.15	8.11	70.2%
Bell	(198.0)	10.39	1.51	14.5%	11.90	6.03	72.9%
Manitoba Tel	(7.7)	6.21	0.68	11.0%	6.89	2.72	
SaskTel	(19.4)	6.07	1.95	32.1%	8.02	7.80	
AGT	(50.8)	8.23	2.69	32.7%	10.92	10.77	70.9%
B.C. Tel	(52.8)	10.08	1.98	19.6%	12.06	7.92	76.1%
Total or Mean	(361.6)	9.78	1.66	17.0%	11.44	6.65	
Unweighted Average		9.06	1.74	19.2%	10.79	6.94	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER		
Geographic Areas of Competition:	Telecom Canada Members		
Rate Structure:	STATUS QUO RATES		
Contribution Charge:	7.60 cts/min	17.3% of Telco rate.	
Market Lost to Competition:	-20.0%		
Productivity Improvement:	0.0%	Competing rates discounted by	25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(9.5)	37.82	6.37	16.8%	44.19	25.49		3.48%
Island Tel	(2.2)	30.36	4.14	13.7%	34.51	16.58	61.9%	3.42%
MT&T	(24.9)	25.60	5.83	22.8%	31.43	23.32	58.0%	4.17%
NBTel	(21.4)	32.22	8.63	26.8%	40.86	34.54	56.0%	4.67%
Bell	(335.1)	35.12	5.56	15.8%	40.68	22.22	73.3%	3.19%
Manitoba Tel	(11.2)	18.19	1.89	10.4%	20.08	7.57		1.43%
SaskTel	(34.5)	17.07	6.42	37.6%	23.48	25.66		3.96%
AGT	(91.8)	22.85	8.81	38.6%	31.67	35.25	56.6%	4.83%
B.C. Tel	(91.3)	34.72	7.39	21.3%	42.12	29.56	69.5%	4.03%
Total or Mean	(621.8)	31.64	6.03	19.1%	37.67	24.12		3.51%
Unweighted Average		28.22	6.12	21.7%	34.34	24.47		3.68%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(9.5)	37.82	3.25	8.6%	41.07	12.99	
Island Tel	(2.2)	30.36	2.00	6.6%	32.36	8.01	69.4%
MT&T	(24.9)	25.60	3.08	12.0%	28.68	12.31	65.6%
NBTel	(21.4)	32.22	3.63	11.3%	35.85	14.52	73.2%
Bell	(335.1)	35.12	2.55	7.3%	37.68	10.21	82.6%
Manitoba Tel	(11.2)	18.19	0.99	5.5%	19.18	3.98	
SaskTel	(34.5)	17.07	3.45	20.2%	20.52	13.82	
AGT	(91.8)	22.85	4.86	21.3%	27.72	19.45	69.2%
B.C. Tel	(91.3)	34.72	3.42	9.9%	38.15	13.69	80.2%
Total or Mean	(621.8)	31.64	2.90	9.2%	34.54	11.60	
Unweighted Average		28.22	3.03	10.7%	31.25	12.11	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.60 cts/min 17.3% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(9.5)	11.39	1.92	16.8%	13.31	7.68		15.42
Island Tel	(2.2)	10.13	1.38	13.7%	11.51	5.53	74.7%	12.87
MT&T	(24.9)	9.89	2.25	22.8%	12.14	9.01	71.5%	15.15
NBTel	(21.4)	9.12	2.44	26.8%	11.56	9.78	65.7%	13.76
Bell	(335.1)	10.39	1.64	15.8%	12.04	6.58	71.6%	12.25
Manitoba Tel	(11.2)	6.21	0.65	10.4%	6.85	2.58		9.50
SaskTel	(34.5)	6.07	2.28	37.6%	8.35	9.12		13.58
AGT	(91.8)	8.23	3.17	38.6%	11.40	12.69	68.3%	16.31
B.C. Tel	(91.3)	10.08	2.15	21.3%	12.23	8.58	75.2%	14.06
Total or Mean	(621.8)	9.78	1.85	18.9%	11.62	7.39		13.01
Unweighted Average		9.06	1.99	21.9%	11.04	7.95		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(9.5)	11.39	3.25	28.5%	14.64	12.99	
Island Tel	(2.2)	10.13	2.00	19.8%	12.13	8.01	70.4%
MT&T	(24.9)	9.89	3.08	31.1%	12.96	12.31	65.3%
NBTel	(21.4)	9.12	3.63	39.8%	12.75	14.52	54.3%
Bell	(335.1)	10.39	2.55	24.6%	12.94	10.21	62.6%
Manitoba Tel	(11.2)	6.21	0.99	16.0%	7.20	3.98	
SaskTel	(34.5)	6.07	3.45	56.9%	9.52	13.82	
AGT	(91.8)	8.23	4.86	59.1%	13.09	19.45	60.2%
B.C. Tel	(91.3)	10.08	3.42	33.9%	13.50	13.69	67.8%
Total or Mean	(621.8)	9.78	2.85	29.2%	12.63	11.42	
Unweighted Average		9.06	3.03	33.4%	12.08	12.11	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 61.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(11.4)	37.82	7.68	20.3%	45.50	12.49		4.09%
Island Tel	(2.9)	30.36	5.47	18.0%	35.83	8.89	68.5%	4.42%
MT&T	(27.8)	25.60	6.50	25.4%	32.10	10.58	67.0%	4.55%
NBTel	(22.6)	32.22	9.11	28.3%	41.34	14.82	72.9%	4.83%
Bell	(442.9)	35.12	7.34	20.9%	42.47	11.94	81.1%	4.14%
Manitoba Tel	(25.6)	18.19	4.32	23.8%	22.51	7.03		3.18%
SaskTel	(38.8)	17.07	7.23	42.4%	24.30	11.76		4.37%
AGT	(92.9)	22.85	8.92	39.0%	31.77	14.50	74.2%	4.76%
B.C. Tel	(112.5)	34.72	9.11	26.2%	43.83	14.81	79.3%	4.86%
Total or Mean	(777.5)	31.64	7.56	23.9%	39.19	12.29		4.30%
Unweighted Average		28.22	7.30	25.9%	35.52	11.87		4.35%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(11.4)	37.82	3.92	10.4%	41.74	6.37	
Island Tel	(2.9)	30.36	2.64	8.7%	33.00	4.30	73.6%
MT&T	(27.8)	25.60	3.43	13.4%	29.03	5.58	71.7%
NBTel	(22.6)	32.22	3.83	11.9%	36.06	6.23	83.9%
Bell	(442.9)	35.12	3.37	9.6%	38.50	5.49	86.9%
Manitoba Tel	(25.6)	18.19	2.27	12.5%	20.46	3.69	
SaskTel	(38.8)	17.07	3.89	22.8%	20.96	6.33	
AGT	(92.9)	22.85	4.92	21.5%	27.78	8.00	81.5%
B.C. Tel	(112.5)	34.72	4.22	12.1%	38.94	6.86	85.9%
Total or Mean	(777.5)	31.64	3.62	11.4%	35.25	5.88	
Unweighted Average		28.22	3.61	12.8%	31.83	5.87	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 61.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(11.4)	11.39	2.31	20.3%	13.70	3.76		12.21
Island Tel	(2.9)	10.13	1.83	18.0%	11.96	2.97	79.3%	9.02
MT&T	(27.8)	9.89	2.51	25.4%	12.40	4.09	79.9%	10.92
NBTel	(22.6)	9.12	2.58	28.3%	11.70	4.19	80.8%	8.42
Bell	(442.9)	10.39	2.17	20.9%	12.56	3.53	78.3%	7.97
Manitoba Tel	(25.6)	6.21	1.47	23.8%	7.68	2.40		5.63
SaskTel	(38.8)	6.07	2.57	42.4%	8.64	4.18		8.75
AGT	(92.9)	8.23	3.21	39.0%	11.44	5.22	78.7%	14.05
B.C. Tel	(112.5)	10.08	2.64	26.2%	12.73	4.30	80.8%	10.32
Total or Mean	(777.5)	9.78	2.32	23.7%	12.09	3.77		6.78
Unweighted Average		9.06	2.37	26.1%	11.42	3.85		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(11.4)	11.39	3.92	34.4%	15.30	6.37	
Island Tel	(2.9)	10.13	2.64	26.1%	12.77	4.30	76.9%
MT&T	(27.8)	9.89	3.43	34.7%	13.32	5.58	77.5%
NBTel	(22.6)	9.12	3.83	42.0%	12.95	6.23	75.3%
Bell	(442.9)	10.39	3.37	32.5%	13.77	5.49	74.2%
Manitoba Tel	(25.6)	6.21	2.27	36.6%	8.48	3.69	
SaskTel	(38.8)	6.07	3.89	64.2%	9.96	6.33	
AGT	(92.9)	8.23	4.92	59.8%	13.15	8.00	74.7%
B.C. Tel	(112.5)	10.08	4.22	41.8%	14.30	6.86	77.6%
Total or Mean	(777.5)	9.78	3.59	36.7%	13.36	5.83	
Unweighted Average		9.06	3.61	39.9%	12.67	5.87	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 64.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(22.8)	37.82	15.28	40.4%	53.10	23.69		8.34%
Island Tel	(5.8)	30.36	10.86	35.8%	41.22	16.83	61.7%	8.95%
MT&T	(55.4)	25.60	12.96	50.6%	38.56	20.10	60.0%	9.27%
NBTel	(44.9)	32.22	18.15	56.3%	50.37	28.14	60.6%	9.81%
Bell	(881.3)	35.12	14.61	41.6%	49.74	22.66	73.1%	8.38%
Manitoba Tel	(51.1)	18.19	8.61	47.3%	26.80	13.35		6.49%
SaskTel	(77.5)	17.07	14.43	84.5%	31.50	22.37		8.91%
AGT	(185.1)	22.85	17.78	77.8%	40.63	27.56	62.2%	9.74%
B.C. Tel	(223.8)	34.72	18.11	52.2%	52.84	28.08	70.4%	9.87%
Total or Mean	(1,547.8)	31.64	15.04	47.5%	46.68	23.32		8.73%
Unweighted Average		28.22	14.53	51.5%	42.75	22.53		8.86%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(22.8)	37.82	7.79	20.6%	45.61	12.07	
Island Tel	(5.8)	30.36	5.25	17.3%	35.61	8.13	69.3%
MT&T	(55.4)	25.60	6.84	26.7%	32.44	10.61	67.0%
NBTel	(44.9)	32.22	7.63	23.7%	39.85	11.83	76.4%
Bell	(881.3)	35.12	6.71	19.1%	41.84	10.41	82.4%
Manitoba Tel	(51.1)	18.19	4.52	24.9%	22.71	7.01	
SaskTel	(77.5)	17.07	7.77	45.5%	24.84	12.04	
AGT	(185.1)	22.85	9.81	42.9%	32.67	15.21	73.4%
B.C. Tel	(223.8)	34.72	8.39	24.1%	43.11	13.00	80.7%
Total or Mean	(1,547.8)	31.64	7.20	22.8%	38.84	11.16	
Unweighted Average		28.22	7.19	25.5%	35.41	11.15	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 64.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(22.8)	11.39	4.60	40.4%	15.99	7.13		11.52
Island Tel	(5.8)	10.13	3.62	35.8%	13.75	5.62	74.5%	8.49
MT&T	(55.4)	9.89	5.01	50.6%	14.90	7.76	73.8%	10.33
NBTel	(44.9)	9.12	5.14	56.3%	14.26	7.96	70.6%	7.96
Bell	(881.3)	10.39	4.32	41.6%	14.72	6.70	71.3%	7.52
Manitoba Tel	(51.1)	6.21	2.94	47.3%	9.14	4.56		5.32
SaskTel	(77.5)	6.07	5.13	84.5%	11.20	7.95		8.28
AGT	(185.1)	8.23	6.40	77.8%	14.63	9.92	72.0%	13.29
B.C. Tel	(223.8)	10.08	5.26	52.2%	15.34	8.15	75.8%	9.73
Total or Mean	(1,547.8)	9.78	4.61	47.2%	14.39	7.15		8.29
Unweighted Average		9.06	4.71	52.0%	13.77	7.31		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(22.8)	11.39	7.79	68.4%	19.18	12.07	
Island Tel	(5.8)	10.13	5.25	51.8%	15.38	8.13	70.2%
MT&T	(55.4)	9.89	6.84	69.2%	16.73	10.61	68.5%
NBTel	(44.9)	9.12	7.63	83.7%	16.75	11.83	60.5%
Bell	(881.3)	10.39	6.71	64.6%	17.11	10.41	62.1%
Manitoba Tel	(51.1)	6.21	4.52	72.9%	10.73	7.01	
SaskTel	(77.5)	6.07	7.77	128.0%	13.84	12.04	
AGT	(185.1)	8.23	9.81	119.2%	18.04	15.21	65.1%
B.C. Tel	(223.8)	10.08	8.39	83.2%	18.47	13.00	68.8%
Total or Mean	(1,547.8)	9.78	7.14	73.0%	16.91	11.06	
Unweighted Average		9.06	7.19	79.4%	16.25	11.15	

STATUS QUO RATES

All Canada

S(A)

1. STATUS QUO RATES

All Canada

S(A)

SEQUENCE OF TABLES

0% rate discount by Competitor
  10% market loss by Telcos
  20% market loss by Telcos

10% rate discount by Competitor
  10% market loss by Telcos
  20% market loss by Telcos

25% rate discount by Competitor
  10% market loss by Telcos
  20% market loss by Telcos

Maximum rate discount by Competitor
(no contribution payment)
  10% market loss by Telcos
  20% market loss by Telcos

For explanation of Tables, see Pages III-1 to III-7 of the Final Report

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA		0.00%
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA	0.00%
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA	0.00%
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA	0.00%
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA	0.00%
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA		0.00%
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA		0.00%
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA	0.00%
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA	0.00%
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA		0.00%
Unweighted Average		28.22	0.00	0.0%	28.22	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA	
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA	
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA	
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA	
Unweighted Average		28.22	0.00	0.0%	28.22	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA		NA
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA		NA
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA		NA
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA		NA
Unweighted Average		9.06	0.00	0.0%	9.06	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA	
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA	
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA	
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA	
Unweighted Average		9.06	0.00	0.0%	9.06	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS			BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
			MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)			
Terra Nova Tel	(0.0)	20.30	0.00	0.0%	20.30	NA	NA	0.00%
Quebec-Tel	0.0	20.34	0.00	0.0%	20.34	NA		0.00%
Telebec	(0.0)	32.05	0.00	0.0%	32.05	NA		0.00%
Northern Tel	0.0	23.75	0.00	0.0%	23.75	NA		0.00%
Thunder Bay	(0.0)	10.93	0.00	0.0%	10.93	NA		0.00%
'edmonton tel'	0.0	19.24	0.00	0.0%	19.24	NA		0.00%
Prince Rupert	(0.0)	19.70	0.00	0.0%	19.70	NA		0.00%
NorthwesTel	(0.0)	12.92	0.00	0.0%	12.92	NA		0.00%
Total or Mean	0.0	19.54	0.00	0.0%	19.54	NA		0.00%
Unweighted Average		19.90	0.00	0.0%	19.90	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(0.0)	20.30	0.00	0.0%	20.30	NA	NA
Quebec-Tel	0.0	20.34	0.00	0.0%	20.34	NA	
Telebec	(0.0)	32.05	0.00	0.0%	32.05	NA	
Northern Tel	0.0	23.75	0.00	0.0%	23.75	NA	
Thunder Bay	(0.0)	10.93	0.00	0.0%	10.93	NA	
'edmonton tel'	0.0	19.24	0.00	0.0%	19.24	NA	
Prince Rupert	(0.0)	19.70	0.00	0.0%	19.70	NA	
NorthwesTel	(0.0)	12.92	0.00	0.0%	12.92	NA	
Total or Mean	0.0	19.54	0.00	0.0%	19.54	NA	
Unweighted Average		19.90	0.00	0.0%	19.90	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(0.0)	8.14	0.00	0.0%	8.14	NA	NA	NA
Quebec-Tel	0.0	7.64	0.00	0.0%	7.64	NA		NA
Telebec	(0.0)	11.13	0.00	0.0%	11.13	NA		NA
Northern Tel	0.0	8.97	0.00	0.0%	8.97	NA		NA
Thunder Bay	(0.0)	4.63	0.00	0.0%	4.63	NA		NA
'edmonton tel'	0.0	6.94	0.00	0.0%	6.94	NA		NA
Prince Rupert	(0.0)	8.52	0.00	0.0%	8.52	NA		NA
NorthwesTel	(0.0)	6.46	0.00	0.0%	6.46	NA		NA
Total or Mean	0.0	7.97	0.00	0.0%	7.97	NA		NA
Unweighted Average		7.80	0.00	0.0%	7.80	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(0.0)	8.14	0.00	0.0%	8.14	NA	NA
Quebec-Tel	0.0	7.64	0.00	0.0%	7.64	NA	
Telebec	(0.0)	11.13	0.00	0.0%	11.13	NA	
Northern Tel	0.0	8.97	0.00	0.0%	8.97	NA	
Thunder Bay	(0.0)	4.63	0.00	0.0%	4.63	NA	
'edmonton tel'	0.0	6.94	0.00	0.0%	6.94	NA	
Prince Rupert	(0.0)	8.52	0.00	0.0%	8.52	NA	
NorthwesTel	(0.0)	6.46	0.00	0.0%	6.46	NA	
Total or Mean	0.0	7.97	0.00	0.0%	7.97	NA	
Unweighted Average		7.80	0.00	0.0%	7.80	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER
Geographic Areas of Competition:	All Canada
Rate Structure:	STATUS QUO RATES
Contribution Charge:	12.15 cts/min 27.2% of Telco rate.
Market Lost to Competition:	-10.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.0)	37.82	2.02	5.3%	39.84	NA		1.08%
Island Tel	(0.6)	30.36	1.17	3.9%	31.54	NA	NA	0.95%
MT&T	(8.3)	25.60	1.95	7.6%	27.55	NA	NA	1.36%
NBTel	(7.4)	32.22	2.98	9.2%	35.20	NA	NA	1.56%
Bell	(92.5)	35.12	1.53	4.4%	36.66	NA	NA	0.86%
Manitoba Tel	0.0	18.19	-0.01	0.0%	18.18	NA		-0.01%
SaskTel	(11.2)	17.07	2.08	12.2%	19.15	NA		1.26%
AGT	(33.1)	22.85	3.18	13.9%	26.03	NA	NA	1.70%
B.C. Tel	(27.4)	34.72	2.22	6.4%	36.94	NA	NA	1.18%
Total or Mean	(183.5)	31.64	1.77	5.6%	33.41	NA		1.01%
Unweighted Average		28.22	1.90	6.7%	30.12	NA		1.11%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(3.0)	37.82	1.03	2.7%	38.85	NA	
Island Tel	(0.6)	30.36	0.57	1.9%	30.93	NA	NA
MT&T	(8.3)	25.60	1.03	4.0%	26.63	NA	NA
NBTel	(7.4)	32.22	1.25	3.9%	33.48	NA	NA
Bell	(92.5)	35.12	0.70	2.0%	35.83	NA	NA
Manitoba Tel	0.0	18.19	0.00	0.0%	18.19	NA	
SaskTel	(11.2)	17.07	1.12	6.6%	18.19	NA	
AGT	(33.1)	22.85	1.75	7.7%	24.61	NA	NA
B.C. Tel	(27.4)	34.72	1.03	3.0%	35.75	NA	NA
Total or Mean	(183.5)	31.64	0.86	2.7%	32.50	NA	
Unweighted Average		28.22	0.94	3.3%	29.16	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 12.15 cts/min 27 2% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.0)	11.39	0.61	5.3%	12.00	NA		17.43
Island Tel	(0.6)	10.13	0.39	3.9%	10.52	NA	NA	15.75
MT&T	(8.3)	9.89	0.75	7.6%	10.64	NA	NA	18.24
NBTel	(7.4)	9.12	0.84	9.2%	9.96	NA	NA	17.27
Bell	(92.5)	10.39	0.45	4.4%	10.85	NA	NA	15.13
Manitoba Tel	0 0	6.21	0.00	0.0%	6.20	NA		12.13
SaskTel	(11.2)	6 07	0.74	12.2%	6.81	NA		16.84
AGT	(33.1)	8.23	1.14	13.9%	9.37	NA	NA	20.36
B.C. Tel	(27.4)	10.08	0.64	6.4%	10.73	NA	NA	16.77
Total or Mean	(183.5)	9.78	0.54	5.6%	10.32	NA		15.64
Unweighted Average		9.06	0.62	6.8%	9.68	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(3.0)	11.39	1.03	9.0%	12.42	NA	
Island Tel	(0.6)	10.13	0.57	5.6%	10.70	NA	NA
MT&T	(8.3)	9.89	1.03	10.4%	10.92	NA	NA
NBTel	(7.4)	9.12	1.25	13.7%	10.37	NA	NA
Bell	(92.5)	10.39	0.70	6.8%	11.10	NA	NA
Manitoba Tel	0 0	6.21	0 00	-0.1%	6.20	NA	
SaskTel	(11.2)	6.07	1.12	18.5%	7.19	NA	
AGT	(33 1)	8.23	1.75	21.3%	9.98	NA	NA
B.C. Tel	(27.4)	10.08	1.03	10.2%	11.11	NA	NA
Total or Mean	(183.5)	9.78	0.84	8.6%	10.61	NA	
Unweighted Average		9.06	0.94	10.4%	10.00	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 12.15 cts/min 27.2% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(0.8)	20.30	1.11	5.5%	21.41	NA	NA	0.99%
Quebec-Tel	(6.1)	20.34	2.95	14.5%	23.29	NA		2.01%
Telebec	(1.5)	32.05	0.86	2.7%	32.90	NA		0.73%
Northern Tel	(0.4)	23.75	0.55	2.3%	24.30	NA		0.78%
Thunder Bay	0.8	10.93	-0.53	-4.8%	10.40	NA		-1.79%
'edmonton tel'	10.8	19.24	-1.83	-9.5%	17.41	NA		-3.03%
Prince Rupert	0.2	19.70	-1.10	-5.6%	18.60	NA		-3.50%
NorthwesTel	(1.8)	12.92	1.76	13.6%	14.68	NA		1.47%
Total or Mean	1.2	19.54	-0.55	-2.8%	18.99	NA		-0.13%
Unweighted Average		19.90	0.47	2.4%	20.37	NA		-0.29%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(0.8)	20.30	0.53	2.6%	20.83	NA	NA
Quebec-Tel	(6.1)	20.34	1.46	7.2%	21.80	NA	
Telebec	(1.5)	32.05	0.39	1.2%	32.43	NA	
Northern Tel	(0.4)	23.75	0.30	1.3%	24.05	NA	
Thunder Bay	0.8	10.93	-0.35	-3.2%	10.58	NA	
'edmonton tel'	10.8	19.24	-1.22	-6.3%	18.02	NA	
Prince Rupert	0.2	19.70	-0.61	-3.1%	19.09	NA	
NorthwesTel	(1.8)	12.92	1.34	10.4%	14.26	NA	
Total or Mean	1.2	19.54	-0.44	-2.3%	19.10	NA	
Unweighted Average		19.90	0.23	1.2%	20.13	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	12.15 cts/min	27.2% of Telco rate.
	Market Lost to Competition:	-10.0%	
			Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(0.8)	8.14	0.45	5.5%	8.59	NA	NA	17.19
Quebec-Tel	(6.1)	7.64	1.11	14.5%	8.75	NA		20.94
Telebec	(1.5)	11.13	0.30	2.7%	11.43	NA		14.50
Northern Tel	(0.4)	8.97	0.21	2.3%	9.18	NA		14.53
Thunder Bay	0.8	4.63	-0.22	-4.8%	4.41	NA		6.92
'edmonton tel'	10.8	6.94	-0.66	-9.5%	6.28	NA		2.96
Prince Rupert	0.2	8.52	-0.48	-5.6%	8.04	NA		6.10
NorthwesTel	(1.8)	6.46	0.88	13.6%	7.34	NA		20.07
Total or Mean	1.2	7.97	0.19	2.4%	8.16	NA		11.77
Unweighted Average		7.80	0.20	2.5%	8.00	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(0.8)	8.14	0.53	6.5%	8.67	NA	NA
Quebec-Tel	(6.1)	7.64	1.46	19.1%	9.10	NA	
Telebec	(1.5)	11.13	0.39	3.5%	11.52	NA	
Northern Tel	(0.4)	8.97	0.30	3.4%	9.27	NA	
Thunder Bay	0.8	4.63	-0.35	-7.6%	4.28	NA	
'edmonton tel'	10.8	6.94	-1.22	-17.5%	5.72	NA	
Prince Rupert	0.2	8.52	-0.61	-7.1%	7.91	NA	
NorthwesTel	(1.8)	6.46	1.34	20.7%	7.80	NA	
Total or Mean	1.2	7.97	0.14	1.7%	8.10	NA	
Unweighted Average		7.80	0.23	3.0%	8.04	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER
Geographic Areas of Competition:	All Canada
Rate Structure:	STATUS QUO RATES
Contribution Charge:	12.90 cts/min 28.8% of Telco rate
Market Lost to Competition:	-20.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(4.9)	37.82	3.27	8.6%	41.09	NA		1.78%
Island Tel	(0.9)	30.36	1.75	5.8%	32.11	NA	NA	1.44%
MT&T	(14.1)	25.60	3.31	12.9%	28.91	NA	NA	2.36%
NBTel	(12.7)	32.22	5.14	16.0%	37.37	NA	NA	2.78%
Bell	(134.6)	35.12	2.23	6.4%	37.35	NA	NA	1.28%
Manitoba Tel	3.4	18.19	-0.57	-3.1%	17.62	NA		-0.43%
SaskTel	(18.9)	17.07	3.52	20.6%	20.59	NA		2.17%
AGT	(58.3)	22.85	5.60	24.5%	28.46	NA	NA	3.07%
B.C. Tel	(43.3)	34.72	3.50	10.1%	38.23	NA	NA	1.91%
Total or Mean	(284.4)	31.64	2.75	8.7%	34.38	NA		1.60%
Unweighted Average		28.22	3.08	10.9%	31.30	NA		1.82%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(4.9)	37.82	1.66	4.4%	39.49	NA	
Island Tel	(0.9)	30.36	0.84	2.8%	31.21	NA	NA
MT&T	(14.1)	25.60	1.74	6.8%	27.34	NA	NA
NBTel	(12.7)	32.22	2.16	6.7%	34.39	NA	NA
Bell	(134.6)	35.12	1.03	2.9%	36.15	NA	NA
Manitoba Tel	3.4	18.19	-0.30	-1.6%	17.89	NA	
SaskTel	(18.9)	17.07	1.89	11.1%	18.96	NA	
AGT	(58.3)	22.85	3.09	13.5%	25.55	NA	NA
B.C. Tel	(43.3)	34.72	1.62	4.7%	36.35	NA	NA
Total or Mean	(284.4)	31.64	1.33	4.2%	32.97	NA	
Unweighted Average		28.22	1.53	5.4%	29.75	NA	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	12.90 cts/min	28.8% of Telco rate
	Market Lost to Competition:	-20.0%	
			Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(4.9)	11.39	0.98	8.6%	12.37	NA		17.17
Island Tel	(0.9)	10.13	0.58	5.8%	10.71	NA	NA	15.58
MT&T	(14.1)	9.89	1.28	12.9%	11.16	NA	NA	18.06
NBTel	(12.7)	9.12	1.46	16.0%	10.58	NA	NA	17.32
Bell	(134.6)	10.39	0.66	6.4%	11.05	NA	NA	15.07
Manitoba Tel	3.4	6.21	-0.19	-3.1%	6.01	NA		12.21
SaskTel	(18.9)	6.07	1.25	20.6%	7.32	NA		16.86
AGT	(58.3)	8.23	2.02	24.5%	10.25	NA	NA	20.14
B.C. Tel	(43.3)	10.08	1.02	10.1%	11.10	NA	NA	16.55
Total or Mean	(284.4)	9.78	0.84	8.5%	10.61	NA		15.60
Unweighted Average		9.06	1.01	11.1%	10.06	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(4.9)	11.39	1.66	14.6%	13.05	NA	
Island Tel	(0.9)	10.13	0.84	8.3%	10.97	NA	NA
MT&T	(14.1)	9.89	1.74	17.6%	11.63	NA	NA
NBTel	(12.7)	9.12	2.16	23.7%	11.28	NA	NA
Bell	(134.6)	10.39	1.03	9.9%	11.42	NA	NA
Manitoba Tel	3.4	6.21	-0.30	-4.8%	5.91	NA	
SaskTel	(18.9)	6.07	1.89	31.2%	7.96	NA	
AGT	(58.3)	8.23	3.09	37.6%	11.32	NA	NA
B.C. Tel	(43.3)	10.08	1.62	16.1%	11.71	NA	NA
Total or Mean	(284.4)	9.78	1.29	13.2%	11.07	NA	
Unweighted Average		9.06	1.53	16.9%	10.58	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 12.90 cts/min 28.8% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(1.2)	20.30	1.69	8.3%	21.99	NA	NA	1.53%
Quebec-Tel	(11.3)	20.34	5.46	26.9%	25.80	NA		3.78%
Telebec	(2.2)	32.05	1.25	3.9%	33.30	NA		1.10%
Northern Tel	(0.5)	23.75	0.77	3.2%	24.52	NA		1.09%
Thunder Bay	1.8	10.93	-1.22	-11.1%	9.71	NA		-4.10%
'edmonton tel'	24.0	19.24	-4.04	-21.0%	15.19	NA		-6.71%
Prince Rupert	0.4	19.70	-2.44	-12.4%	17.25	NA		-7.79%
NorthwesTel	(3.1)	12.92	2.98	23.1%	15.90	NA		2.56%
Total or Mean	7.9	19.54	-1.49	-7.6%	18.06	NA		-0.83%
Unweighted Average		19.90	0.56	2.8%	20.46	NA		-1.07%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(1.2)	20.30	0.80	4.0%	21.10	NA	NA	
Quebec-Tel	(11.3)	20.34	2.71	13.3%	23.05	NA		
Telebec	(2.2)	32.05	0.57	1.8%	32.61	NA		
Northern Tel	(0.5)	23.75	0.42	1.8%	24.17	NA		
Thunder Bay	1.8	10.93	-0.81	-7.4%	10.12	NA		
'edmonton tel'	24.0	19.24	-2.69	-14.0%	16.55	NA		
Prince Rupert	0.4	19.70	-1.35	-6.8%	18.35	NA		
NorthwesTel	(3.1)	12.92	2.27	17.6%	15.19	NA		
Total or Mean	7.9	19.54	-1.12	-5.7%	18.42	NA		
Unweighted Average		19.90	0.24	1.2%	20.14	NA		

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 12.90 cts/min 28.8% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(1.2)	8.14	0.68	8.3%	8.82	NA	NA	16.72
Quebec-Tel	(11.3)	7.64	2.05	26.9%	9.69	NA		21.04
Telebec	(2.2)	11.13	0.44	3.9%	11.57	NA		14.62
Northern Tel	(0.5)	8.97	0.29	3.2%	9.26	NA		14.56
Thunder Bay	1.8	4.63	-0.52	-11.1%	4.12	NA		6.90
'edmonton tel'	24.0	6.94	-1.46	-21.0%	5.48	NA		2.74
Prince Rupert	0.4	8.52	-1.06	-12.4%	7.46	NA		6.18
NorthwesTel	(3.1)	6.46	1.49	23.1%	7.95	NA		19.62
Total or Mean	7.9	7.97	0.23	2.9%	8.20	NA		11.68
Unweighted Average		7.80	0.24	3.1%	8.04	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(1.2)	8.14	0.80	9.9%	8.94	NA	NA
Quebec-Tel	(11.3)	7.64	2.71	35.4%	10.35	NA	
Telebec	(2.2)	11.13	0.57	5.1%	11.70	NA	
Northern Tel	(0.5)	8.97	0.42	4.7%	9.39	NA	
Thunder Bay	1.8	4.63	-0.81	-17.5%	3.82	NA	
'edmonton tel'	24.0	6.94	-2.69	-38.7%	4.25	NA	
Prince Rupert	0.4	8.52	-1.35	-15.8%	7.17	NA	
NorthwesTel	(3.1)	6.46	2.27	35.2%	8.73	NA	
Total or Mean	7.9	7.97	0.05	0.6%	8.02	NA	
Unweighted Average		7.80	0.24	3.1%	8.05	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	10.20 cts/min	22.8% of Telco rate.
Market Lost to Competition:	-10.0%	

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.9)	37.82	2.61	6.9%	40.43	26.07		1.39%
Island Tel	(0.9)	30.36	1.62	5.3%	31.98	16.16	62.2%	1.30%
MT&T	(10.4)	25.60	2.42	9.5%	28.02	24.22	57.5%	1.69%
NBTel	(8.9)	32.22	3.60	11.2%	35.83	36.03	55.1%	1.91%
Bell	(128.3)	35.12	2.13	6.1%	37.25	21.28	74.0%	1.20%
Manitoba Tel	(2.6)	18.19	0.44	2.4%	18.63	4.35		0.32%
SaskTel	(14.0)	17.07	2.61	15.3%	19.68	26.13		1.58%
AGT	(39.2)	22.85	3.77	16.5%	26.62	37.69	55.1%	2.01%
B.C. Tel	(36.1)	34.72	2.92	8.4%	37.65	29.24	69.7%	1.56%
Total or Mean	(244.3)	31.64	2.37	7.5%	34.00	23.67		1.35%
Unweighted Average		28.22	2.46	8.7%	30.68	24.57		1.44%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(3.9)	37.82	1.33	3.5%	39.15	13.29	
Island Tel	(0.9)	30.36	0.78	2.6%	31.14	7.81	69.6%
MT&T	(10.4)	25.60	1.28	5.0%	26.88	12.78	65.2%
NBTel	(8.9)	32.22	1.51	4.7%	33.74	15.15	72.5%
Bell	(128.3)	35.12	0.98	2.8%	36.10	9.78	83.0%
Manitoba Tel	(2.6)	18.19	0.23	1.3%	18.42	2.29	
SaskTel	(14.0)	17.07	1.41	8.2%	18.48	14.07	
AGT	(39.2)	22.85	2.08	9.1%	24.93	20.80	68.0%
B.C. Tel	(36.1)	34.72	1.35	3.9%	36.08	13.53	80.3%
Total or Mean	(244.3)	31.64	1.14	3.6%	32.78	11.40	
Unweighted Average		28.22	1.22	4.3%	29.44	12.17	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	10.20 cts/min	22.8% of Telco rate.
Market Lost to Competition:	-10.0%	

Competing rates
discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.9)	11.39	0.78	6.9%	12.17	7.85		16.56
Island Tel	(0.9)	10.13	0.54	5.3%	10.67	5.39	74.9%	14.63
MT&T	(10.4)	9.89	0.94	9.5%	10.82	9.36	70.9%	17.26
NBTel	(8.9)	9.12	1.02	11.2%	10.14	10.20	64.6%	15.98
Bell	(128.3)	10.39	0.63	6.1%	11.02	6.30	72.3%	14.06
Manitoba Tel	(2.6)	6.21	0.15	2.4%	6.35	1.48		11.18
SaskTel	(14.0)	6.07	0.93	15.3%	7.00	9.29		15.69
AGT	(39.2)	8.23	1.36	16.5%	9.58	13.57	67.2%	19.29
B.C. Tel	(36.1)	10.08	0.85	8.4%	10.93	8.49	75.3%	15.89
Total or Mean	(244.3)	9.78	0.72	7.4%	10.50	7.25		14.53
Unweighted Average		9.06	0.80	8.8%	9.86	7.99		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(3.9)	11.39	1.33	11.7%	12.72	13.29	
Island Tel	(0.9)	10.13	0.78	7.7%	10.91	7.81	70.7%
MT&T	(10.4)	9.89	1.28	12.9%	11.17	12.78	64.4%
NBTel	(8.9)	9.12	1.51	16.6%	10.63	15.15	53.0%
Bell	(128.3)	10.39	0.98	9.4%	11.37	9.78	63.7%
Manitoba Tel	(2.6)	6.21	0.23	3.7%	6.43	2.29	
SaskTel	(14.0)	6.07	1.41	23.2%	7.48	14.07	
AGT	(39.2)	8.23	2.08	25.3%	10.31	20.80	58.7%
B.C. Tel	(36.1)	10.08	1.35	13.4%	11.44	13.53	68.0%
Total or Mean	(244.3)	9.78	1.12	11.5%	10.89	11.19	
Unweighted Average		9.06	1.22	13.4%	10.27	12.17	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 10.20 cts/min 22.8% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates
discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(1.1)	20.30	1.54	7.6%	21.84	15.43	66.6%	1.37%
Quebec-Tel	(6.8)	20.34	3.29	16.2%	23.63	32.89		2.24%
Telebec	(2.1)	32.05	1.22	3.8%	33.26	12.15		1.04%
Northern Tel	(0.6)	23.75	0.84	3.5%	24.59	8.38		1.19%
Thunder Bay	0.6	10.93	-0.40	-3.6%	10.53	-3.96		-1.33%
'edmonton tel'	8.8	19.24	-1.49	-7.7%	17.75	-14.90		-2.47%
Prince Rupert	0.2	19.70	-0.90	-4.5%	18.80	-8.96		-2.85%
NorthwesTel	(2.2)	12.92	2.16	16.7%	15.08	21.62		1.80%
Total or Mean	(3.3)	19.54	-0.22	-1.1%	19.32	-2.21		0.34%
Unweighted Average		19.90	0.78	3.9%	20.69	7.83		0.12%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(1.1)	20.30	0.73	3.6%	21.03	7.35	70.9%
Quebec-Tel	(6.8)	20.34	1.63	8.0%	21.97	16.30	
Telebec	(2.1)	32.05	0.55	1.7%	32.60	5.52	
Northern Tel	(0.6)	23.75	0.46	1.9%	24.21	4.58	
Thunder Bay	0.6	10.93	-0.26	-2.4%	10.66	-2.64	
'edmonton tel'	8.8	19.24	-0.99	-5.1%	18.25	-9.89	
Prince Rupert	0.2	19.70	-0.49	-2.5%	19.20	-4.94	
NorthwesTel	(2.2)	12.92	1.65	12.7%	14.57	16.46	
Total or Mean	(3.3)	19.54	-0.24	-1.2%	19.31	-2.37	
Unweighted Average		19.90	0.41	2.1%	20.31	4.09	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 10.20 cts/min 22.8% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(1.1)	8.14	0.62	7.6%	8.76	6.19	87.2%	16.72
Quebec-Tel	(6.8)	7.64	1.24	16.2%	8.88	12.36		19.36
Telebec	(2.1)	11.13	0.42	3.8%	11.55	4.22		13.31
Northern Tel	(0.6)	8.97	0.32	3.5%	9.29	3.16		13.57
Thunder Bay	0.6	4.63	-0.17	-3.6%	4.47	-1.68		6.56
'edmonton tel'	8.8	6.94	-0.54	-7.7%	6.40	-5.37		3.21
Prince Rupert	0.2	8.52	-0.39	-4.5%	8.13	-3.87		5.60
NorthwesTel	(2.2)	6.46	1.08	16.7%	7.54	10.81		19.29
Total or Mean	(3.3)	7.97	0.32	4.0%	8.28	3.17		11.14
Unweighted Average		7.80	0.32	4.1%	8.13	3.23		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(1.1)	8.14	0.73	9.0%	8.88	7.35	86.2%
Quebec-Tel	(6.8)	7.64	1.63	21.3%	9.27	16.30	
Telebec	(2.1)	11.13	0.55	5.0%	11.68	5.52	
Northern Tel	(0.6)	8.97	0.46	5.1%	9.43	4.58	
Thunder Bay	0.6	4.63	-0.26	-5.7%	4.37	-2.64	
'edmonton tel'	8.8	6.94	-0.99	-14.3%	5.95	-9.89	
Prince Rupert	0.2	8.52	-0.49	-5.8%	8.02	-4.94	
NorthwesTel	(2.2)	6.46	1.65	25.5%	8.11	16.46	
Total or Mean	(3.3)	7.97	0.32	4.1%	8.29	3.25	
Unweighted Average		7.80	0.41	5.2%	8.21	4.09	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	10.90 cts/min	24.3% of Telco rate.
Market Lost to Competition:	-20.0%	
		Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(6.6)	37.82	4.44	11.7%	42.26	44.37		2.42%
Island Tel	(1.4)	30.36	2.63	8.7%	32.99	26.29	55.4%	2.17%
MT&T	(18.1)	25.60	4.24	16.6%	29.84	42.44	48.8%	3.03%
NBTel	(15.8)	32.22	6.39	19.8%	38.62	63.95	41.7%	3.46%
Bell	(206.4)	35.12	3.42	9.7%	38.55	34.23	56.0%	1.96%
Manitoba Tel	(1.9)	18.19	0.32	1.7%	18.51	3.17		0.24%
SaskTel	(24.6)	17.07	4.57	26.8%	21.64	45.74		2.82%
AGT	(70.6)	22.85	6.78	29.7%	29.64	67.83	40.5%	3.72%
B.C. Tel	(60.7)	34.72	4.91	14.2%	39.64	49.14	59.7%	2.68%
Total or Mean	(406.2)	31.64	3.93	12.4%	35.57	39.31		2.29%
Unweighted Average		28.22	4.19	14.9%	32.41	41.91		2.50%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(6.6)	37.82	2.26	6.0%	40.08	22.62	
Island Tel	(1.4)	30.36	1.27	4.2%	31.63	12.70	65.0%
MT&T	(18.1)	25.60	2.24	8.7%	27.84	22.40	58.6%
NBTel	(15.8)	32.22	2.69	8.3%	34.91	26.88	61.6%
Bell	(206.4)	35.12	1.57	4.5%	36.70	15.73	78.1%
Manitoba Tel	(1.9)	18.19	0.17	0.9%	18.36	1.67	
SaskTel	(24.6)	17.07	2.46	14.4%	19.53	24.62	
AGT	(70.6)	22.85	3.74	16.4%	26.60	37.43	55.2%
B.C. Tel	(60.7)	34.72	2.27	6.6%	37.00	22.75	73.7%
Total or Mean	(406.2)	31.64	1.90	6.0%	33.54	18.99	
Unweighted Average		28.22	2.08	7.4%	30.29	20.76	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	10.90 cts/min	24.3% of Telco rate.
	Market Lost to Competition:	-20.0%	

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(6.6)	11.39	1.34	11.7%	12.72	13.36		16.31
Island Tel	(1.4)	10.13	0.88	8.7%	11.01	8.77	69.1%	14.67
MT&T	(18.1)	9.89	1.64	16.6%	11.53	16.39	57.9%	17.09
NBTel	(15.8)	9.12	1.81	19.8%	10.93	18.10	47.1%	16.03
Bell	(206.4)	10.39	1.01	9.7%	11.40	10.13	62.8%	14.00
Manitoba Tel	(1.9)	6.21	0.11	1.7%	6.31	1.08		11.26
SaskTel	(24.6)	6.07	1.63	26.8%	7.70	16.26		15.70
AGT	(70.6)	8.23	2.44	29.7%	10.67	24.42	55.1%	19.08
B.C. Tel	(60.7)	10.08	1.43	14.2%	11.51	14.27	67.0%	15.68
Total or Mean	(406.2)	9.78	1.20	12.3%	10.98	12.03		14.50
Unweighted Average		9.06	1.36	15.1%	10.42	13.64		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(6.6)	11.39	2.26	19.9%	13.65	22.62	
Island Tel	(1.4)	10.13	1.27	12.5%	11.40	12.70	62.9%
MT&T	(18.1)	9.89	2.24	22.7%	12.13	22.40	48.3%
NBTel	(15.8)	9.12	2.69	29.5%	11.81	26.88	34.2%
Bell	(206.4)	10.39	1.57	15.1%	11.96	15.73	49.6%
Manitoba Tel	(1.9)	6.21	0.17	2.7%	6.37	1.67	
SaskTel	(24.6)	6.07	2.46	40.6%	8.53	24.62	
AGT	(70.6)	8.23	3.74	45.5%	11.97	37.43	44.4%
B.C. Tel	(60.7)	10.08	2.27	22.6%	12.36	22.75	55.5%
Total or Mean	(406.2)	9.78	1.86	19.0%	11.63	18.57	
Unweighted Average		9.06	2.08	22.9%	11.13	20.76	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER
Geographic Areas of Competition:	All Canada
Rate Structure:	STATUS QUO RATES
Contribution Charge:	10.90 cts/min 24.3% of Telco rate.
Market Lost to Competition:	-20.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE		BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
			($)	(%)				
Terra Nova Tel	(1.9)	20.30	2.54	12.5%	22.84	25.43	60.3%	2.31%
Quebec-Tel	(12.6)	20.34	6.14	30.2%	26.48	61.41		4.25%
Telebec	(3.4)	32.05	1.97	6.1%	34.02	19.71		1.72%
Northern Tel	(0.9)	23.75	1.34	5.6%	25.09	13.41		1.91%
Thunder Bay	1.4	10.93	-0.95	-8.7%	9.98	-9.49		-3.20%
'edmonton tel'	20.0	19.24	-3.37	-17.5%	15.87	-33.65		-5.59%
Prince Rupert	0.4	19.70	-2.03	-10.3%	17.66	-20.34		-6.48%
NorthwesTel	(3.9)	12.92	3.79	29.3%	16.71	37.89		3.25%
Total or Mean	(1.1)	19.54	-0.83	-4.3%	18.71	-8.31		0.12%
Unweighted Average		19.90	1.18	5.9%	21.08	11.80		-0.23%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(1.9)	20.30	1.21	6.0%	21.51	12.11	67.6%
Quebec-Tel	(12.6)	20.34	3.04	15.0%	23.38	30.44	
Telebec	(3.4)	32.05	0.89	2.8%	32.94	8.95	
Northern Tel	(0.9)	23.75	0.73	3.1%	24.49	7.33	
Thunder Bay	1.4	10.93	-0.63	-5.8%	10.30	-6.33	
'edmonton tel'	20.0	19.24	-2.24	-11.6%	17.00	-22.35	
Prince Rupert	0.4	19.70	-1.12	-5.7%	18.58	-11.21	
NorthwesTel	(3.9)	12.92	2.88	22.3%	15.80	28.84	
Total or Mean	(1.1)	19.54	-0.71	-3.7%	18.83	-7.14	
Unweighted Average		19.90	0.60	3.0%	20.50	5.97	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 10.90 cts/min 24.3% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Terra Nova Tel	(1.9)	8.14	1.02	12.5%	9.16	10.20	81.9%	16.28
Quebec-Tel	(12.6)	7.64	2.31	30.2%	9.95	23.07		19.45
Telebec	(3.4)	11.13	0.68	6.1%	11.82	6.85		13.42
Northern Tel	(0.9)	8.97	0.51	5.6%	9.48	5.07		13.60
Thunder Bay	1.4	4.63	-0.40	-8.7%	4.23	-4.02		6.53
'edmonton tel'	20.0	6.94	-1.21	-17.5%	5.72	-12.14		3.01
Prince Rupert	0.4	8.52	-0.88	-10.3%	7.64	-8.79		5.68
NorthwesTel	(3.9)	6.46	1.89	29.3%	8.35	18.94		18.86
Total or Mean	(1.1)	7.97	0.48	6.0%	8.45	4.80		11.06
Unweighted Average		7.80	0.49	6.3%	8.29	4.90		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(1.9)	8.14	1.21	14.9%	9.35	12.11	79.4%
Quebec-Tel	(12 6)	7.64	3.04	39.8%	10.69	30.44	
Telebec	(3.4)	11.13	0.89	8.0%	12.03	8.95	
Northern Tel	(0.9)	8.97	0.73	8.2%	9.71	7.33	
Thunder Bay	1.4	4.63	-0.63	-13.7%	4.00	-6.33	
'edmonton tel'	20.0	6.94	-2.24	-32.2%	4.70	-22.35	
Prince Rupert	0.4	8.52	-1.12	-13.2%	7.39	-11.21	
NorthwesTel	(3.9)	6.46	2.88	44.7%	9.34	28.84	
Total or Mean	(1.1)	7.97	0.42	5.3%	8.39	4.22	
Unweighted Average		7.80	0.60	7.7%	8.40	5.97	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.25 cts/min 16.2% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(5.4)	37.82	3.65	9.7%	41.47	14.61		1.95%
Island Tel	(1.3)	30.36	2.40	7.9%	32.77	9.61	67.8%	1.94%
MT&T	(13.9)	25.60	3.26	12.7%	28.86	13.04	65.0%	2.28%
NBTel	(11.7)	32.22	4.72	14.6%	36.94	18.88	68.6%	2.50%
Bell	(192.1)	35.12	3.18	9.1%	38.31	12.74	80.5%	1.79%
Manitoba Tel	(7.3)	18.19	1.22	6.7%	19.41	4.89		0.90%
SaskTel	(19.1)	17.07	3.55	20.8%	20.62	14.21		2.14%
AGT	(50.2)	22.85	4.82	21.1%	27.68	19.28	69.4%	2.57%
B.C. Tel	(51.7)	34.72	4.18	12.0%	38.91	16.72	77.9%	2.23%
Total or Mean	(352.6)	31.64	3.42	10.8%	35.06	13.68		1.95%
Unweighted Average		28.22	3.44	12.2%	31.66	13.78		2.03%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(5.4)	37.82	1.86	4.9%	39.68	7.45	
Island Tel	(1.3)	30.36	1.16	3.8%	31.52	4.65	73.2%
MT&T	(13.9)	25.60	1.72	6.7%	27.32	6.88	70.4%
NBTel	(11.7)	32.22	1.98	6.2%	34.21	7.94	81.5%
Bell	(192.1)	35.12	1.46	4.2%	36.59	5.85	86.5%
Manitoba Tel	(7.3)	18.19	0.64	3.5%	18.83	2.57	
SaskTel	(19.1)	17.07	1.91	11.2%	18.98	7.65	
AGT	(50.2)	22.85	2.66	11.6%	25.51	10.64	78.4%
B.C. Tel	(51.7)	34.72	1.94	5.6%	36.66	7.74	85.1%
Total or Mean	(352.6)	31.64	1.64	5.2%	33.28	6.57	
Unweighted Average		28.22	1.70	6.0%	29.92	6.82	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.25 cts/min 16.2% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(5.4)	11.39	1.10	9.7%	12.49	4.40		15.16
Island Tel	(1.3)	10.13	0.80	7.9%	10.93	3.21	78.8%	13.36
MT&T	(13.9)	9.89	1.26	12.7%	11.15	5.04	78.4%	15.69
NBTel	(11.7)	9.12	1.34	14.6%	10.46	5.34	77.7%	13.98
Bell	(192.1)	10.39	0.94	9.1%	11.33	3.77	77.8%	12.38
Manitoba Tel	(7.3)	6.21	0.42	6.7%	6.62	1.67		9.71
SaskTel	(19.1)	6.07	1.26	20.8%	7.33	5.05		13.88
AGT	(50.2)	8.23	1.74	21.1%	9.96	6.94	76.2%	17.58
B.C. Tel	(51.7)	10.08	1.21	12.0%	11.30	4.86	80.1%	14.47
Total or Mean	(352.6)	9.78	1.05	10.7%	10.82	4.19		12.81
Unweighted Average		9.06	1.12	12.4%	10.18	4.47		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(5.4)	11.39	1.86	16.3%	13.25	7.45	
Island Tel	(1.3)	10.13	1.16	11.5%	11.29	4.65	76.3%
MT&T	(13.9)	9.89	1.72	17.4%	11.61	6.88	75.3%
NBTel	(11.7)	9.12	1.98	21.8%	11.10	7.94	70.6%
Bell	(192.1)	10.39	1.46	14.1%	11.86	5.85	73.3%
Manitoba Tel	(7.3)	6.21	0.64	10.4%	6.85	2.57	
SaskTel	(19.1)	6.07	1.91	31.5%	7.98	7.65	
AGT	(50.2)	8.23	2.66	32.3%	10.89	10.64	71.1%
B.C. Tel	(51.7)	10.08	1.94	19.2%	12.02	7.74	76.3%
Total or Mean	(352.6)	9.78	1.62	16.6%	11.40	6.48	
Unweighted Average		9.06	1.70	18.8%	10.76	6.82	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.25 cts/min 16.2% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(1.7)	20.30	2.30	11.4%	22.60	9.22	69.9%	2.04%
Quebec-Tel	(8.0)	20.34	3.89	19.1%	24.23	15.57		2.65%
Telebec	(3.2)	32.05	1.85	5.8%	33.90	7.42		1.59%
Northern Tel	(0.9)	23.75	1.35	5.7%	25.10	5.39		1.92%
Thunder Bay	0.2	10.93	-0.16	-1.4%	10.77	-0.63		-0.53%
'edmonton tel'	5.2	19.24	-0.88	-4.6%	18.35	-3.54		-1.47%
Prince Rupert	0.1	19.70	-0.53	-2.7%	19.17	-2.12		-1.69%
NorthwesTel	(3.0)	12.92	2.88	22.3%	15.80	11.52		2.40%
Total or Mean	(11.3)	19.54	0.36	1.9%	19.90	1.45		1.17%
Unweighted Average		19.90	1.34	6.7%	21.24	5.35		0.87%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(1.7)	20.30	1.10	5.4%	21.40	4.39	72.5%
Quebec-Tel	(8.0)	20.34	1.93	9.5%	22.27	7.72	
Telebec	(3.2)	32.05	0.84	2.6%	32.89	3.37	
Northern Tel	(0.9)	23.75	0.74	3.1%	24.49	2.95	
Thunder Bay	0.2	10.93	-0.10	-1.0%	10.82	-0.42	
'edmonton tel'	5.2	19.24	-0.59	-3.1%	18.65	-2.35	
Prince Rupert	0.1	19.70	-0.29	-1.5%	19.41	-1.17	
NorthwesTel	(3.0)	12.92	2.19	17.0%	15.11	8.77	
Total or Mean	(11.3)	19.54	0.13	0.6%	19.67	0.51	
Unweighted Average		19.90	0.73	3.7%	20.63	2.91	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.25 cts/min 16.2% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(1.7)	8.14	0.92	11.4%	9.06	3.70	89.0%	15.91
Quebec-Tel	(8.0)	7.64	1.46	19.1%	9.10	5.85		16.87
Telebec	(3.2)	11.13	0.64	5.8%	11.78	2.58		11.47
Northern Tel	(0.9)	8.97	0.51	5.7%	9.48	2.04		12.07
Thunder Bay	0.2	4.63	-0.07	-1.4%	4.57	-0.27		5.96
'edmonton tel'	5.2	6.94	-0.32	-4.6%	6.62	-1.28		3.56
Prince Rupert	0.1	8.52	-0.23	-2.7%	8.29	-0.92		4.83
NorthwesTel	(3.0)	6.46	1.44	22.3%	7.90	5.76		18.01
Total or Mean	(11.3)	7.97	0.54	6.8%	8.51	2.16		10.14
Unweighted Average		7.80	0.55	7.0%	8.35	2.18		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(1.7)	8.14	1.10	13.5%	9.24	4.39	88.6%
Quebec-Tel	(8.0)	7.64	1.93	25.2%	9.57	7.72	
Telebec	(3.2)	11.13	0.84	7.6%	11.97	3.37	
Northern Tel	(0.9)	8.97	0.74	8.2%	9.71	2.95	
Thunder Bay	0.2	4.63	-0.10	-2.3%	4.53	-0.42	
'edmonton tel'	5.2	6.94	-0.59	-8.5%	6.35	-2.35	
Prince Rupert	0.1	8.52	-0.29	-3.4%	8.22	-1.17	
NorthwesTel	(3.0)	6.46	2.19	33.9%	8.65	8.77	
Total or Mean	(11.3)	7.97	0.66	8.2%	8.62	2.63	
Unweighted Average		7.80	0.73	9.3%	8.53	2.91	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.92 cts/min 17.7% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates
discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(9.6)	37.82	6.46	17.1%	44.29	25.86		3.53%
Island Tel	(2.2)	30.36	4.16	13.7%	34.52	16.63	61.8%	3.43%
MT&T	(25.1)	25.60	5.87	22.9%	31.47	23.47	57.9%	4.20%
NBTel	(21.2)	32.22	8.56	26.6%	40.79	34.24	56.2%	4.63%
Bell	(330.8)	35.12	5.49	15.6%	40.61	21.94	73.5%	3.15%
Manitoba Tel	(11.0)	18.19	1.85	10.2%	20.04	7.39		1.39%
SaskTel	(34.4)	17.07	6.40	37.5%	23.47	25.59		3.95%
AGT	(91.9)	22.85	8.82	38.6%	31.68	35.30	56.6%	4.83%
B.C. Tel	(90.9)	34.72	7.35	21.2%	42.08	29.42	69.6%	4.01%
Total or Mean	(617.0)	31.64	5.98	18.9%	37.62	23.93		3.48%
Unweighted Average		28.22	6.11	21.6%	34.33	24.43		3.68%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(9.6)	37.82	3.30	8.7%	41.12	13.18	
Island Tel	(2.2)	30.36	2.01	6.6%	32.37	8.04	69.4%
MT&T	(25.1)	25.60	3.10	12.1%	28.70	12.39	65.5%
NBTel	(21.2)	32.22	3.60	11.2%	35.82	14.40	73.4%
Bell	(330.8)	35.12	2.52	7.2%	37.64	10.08	82.7%
Manitoba Tel	(11.0)	18.19	0.97	5.3%	19.16	3.88	
SaskTel	(34.4)	17.07	3.44	20.2%	20.51	13.78	
AGT	(91.9)	22.85	4.87	21.3%	27.72	19.48	69.2%
B.C. Tel	(90.9)	34.72	3.40	9.8%	38.13	13.62	80.3%
Total or Mean	(617.0)	31.64	2.88	9.1%	34.52	11.51	
Unweighted Average		28.22	3.02	10.7%	31.24	12.09	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.92 cts/min 17.7% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(9.6)	11.39	1.95	17.1%	13.34	7.79		14.92
Island Tel	(2.2)	10.13	1.39	13.7%	11.52	5.55	74.7%	13.21
MT&T	(25.1)	9.89	2.27	22.9%	12.16	9.07	71.4%	15.52
NBTel	(21.2)	9.12	2.42	26.6%	11.54	9.69	65.9%	14.02
Bell	(330.8)	10.39	1.62	15.6%	12.01	6.49	71.8%	12.34
Manitoba Tel	(11.0)	6.21	0.63	10.2%	6.84	2.52		9.78
SaskTel	(34.4)	6.07	2.28	37.5%	8.34	9.10		13.89
AGT	(91.9)	8.23	3.18	38.6%	11.40	12.71	68.3%	17.37
B.C. Tel	(90.9)	10.08	2.14	21.2%	12.22	8.54	75.2%	14.27
Total or Mean	(617.0)	9.78	1.83	18.7%	11.61	7.33		12.78
Unweighted Average		9.06	1.98	21.9%	11.04	7.94		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes RESIDENCE SUBSCRIBERS

Nfld Tel	(9.6)	11.39	3.30	28.9%	14.68	13.18	
Island Tel	(2.2)	10.13	2.01	19.8%	12.14	8.04	70.3%
MT&T	(25.1)	9.89	3.10	31.3%	12.99	12.39	65.2%
NBTel	(21.2)	9.12	3.60	39.5%	12.72	14.40	54.6%
Bell	(330.8)	10.39	2.52	24.3%	12.91	10.08	62.9%
Manitoba Tel	(11.0)	6.21	0.97	15.6%	7.18	3.88	
SaskTel	(34.4)	6.07	3.44	56.8%	9.51	13.78	
AGT	(91.9)	8.23	4.87	59.2%	13.10	19.48	60.2%
B.C. Tel	(90.9)	10.08	3.40	33.8%	13.49	13.62	67.9%
Total or Mean	(617.0)	9.78	2.83	29.0%	12.61	11.33	
Unweighted Average		9.06	3.02	33.4%	12.08	12.09	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	7.92 cts/min	17.7% of Telco rate.
	Market Lost to Competition:	-20.0%	
			Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	--------- BUSINESS --------- MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(3.0)	20.30	4.02	19.8%	24.32	16.09	65.3%	3.65%
Quebec-Tel	(15.1)	20.34	7.31	35.9%	27.65	29.24		5.06%
Telebec	(5.6)	32.05	3.21	10.0%	35.26	12.85		2.81%
Northern Tel	(1.6)	23.75	2.33	9.8%	26.08	9.32		3.32%
Thunder Bay	0.7	10.93	-0.49	-4.4%	10.44	-1.94		-1.64%
'edmonton tel'	13.0	19.24	-2.19	-11.4%	17.04	-8.77		-3.64%
Prince Rupert	0.2	19.70	-1.32	-6.7%	18.37	-5.30		-4.22%
NorthwesTel	(5.3)	12.92	5.18	40.1%	18.10	20.73		4.44%
Total or Mean	(16.6)	19.54	0.30	1.5%	19.84	1.21		1.74%
Unweighted Average		19.90	2.26	11.3%	22.16	9.03		1.22%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(3.0)	20.30	1.92	9.4%	22.22	7.67	70.2%	
Quebec-Tel	(15.1)	20.34	3.62	17.8%	23.96	14.50		
Telebec	(5.6)	32.05	1.46	4.5%	33.50	5.83		
Northern Tel	(1.6)	23.75	1.27	5.4%	25.03	5.10		
Thunder Bay	0.7	10.93	-0.32	-3.0%	10.60	-1.30		
'edmonton tel'	13.0	19.24	-1.46	-7.6%	17.78	-5.82		
Prince Rupert	0.2	19.70	-0.73	-3.7%	18.97	-2.92		
NorthwesTel	(5.3)	12.92	3.95	30.5%	16.86	15.78		
Total or Mean	(16.6)	19.54	-0.01	0.0%	19.53	-0.04		
Unweighted Average		19.90	1.21	6.1%	21.12	4.85		

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.92 cts/min 17.7% of Telco rate.
Market Lost to Competition: -20.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Terra Nova Tel	(3.0)	8.14	1.61	19.8%	9.75	6.45	86.3%	15.47
Quebec-Tel	(15.1)	7.64	2.75	35.9%	10.39	10.99		16.96
Telebec	(5.6)	11.13	1.12	10.0%	12.25	4.46		11.57
Northern Tel	(1.6)	8.97	0.88	9.8%	9.85	3.52		12.09
Thunder Bay	0.7	4.63	-0.21	-4.4%	4.43	-0.82		5.93
'edmonton tel'	13.0	6.94	-0.79	-11.4%	6.15	-3.16		3.35
Prince Rupert	0.2	8.52	-0.57	-6.7%	7.94	-2.29		4.90
NorthwesTel	(5.3)	6.46	2.59	40.1%	9.05	10.36		17.60
Total or Mean	(16.6)	7.97	0.91	11.4%	8.88	3.65		10.05
Unweighted Average		7.80	0.92	11.8%	8.73	3.69		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(3.0)	8.14	1.92	23.5%	10.06	7.67	85.0%
Quebec-Tel	(15.1)	7.64	3.62	47.4%	11.27	14.50	
Telebec	(5.6)	11.13	1.46	13.1%	12.59	5.83	
Northern Tel	(1.6)	8.97	1.27	14.2%	10.25	5.10	
Thunder Bay	0.7	4.63	-0.32	-7.0%	4.31	-1.30	
'edmonton tel'	13.0	6.94	-1.46	-21.0%	5.48	-5.82	
Prince Rupert	0.2	8.52	-0.73	-8.6%	7.79	-2.92	
NorthwesTel	(5.3)	6.46	3.95	61.1%	10.41	15.78	
Total or Mean	(16.6)	7.97	1.07	13.4%	9.03	4.27	
Unweighted Average		7.80	1.21	15.6%	9.02	4.85	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
Market Lost to Competition:	-10.0%	
		Competing rates discounted by 63.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
			($)	(%)				
Nfld Tel	(11.7)	37.82	7.84	20.7%	45.66	12.44		4.17%
Island Tel	(3.0)	30.36	5.56	18.3%	35.92	8.82	68.6%	4.49%
MT&T	(28.3)	25.60	6.61	25.8%	32.21	10.49	67.1%	4.62%
NBTel	(22.7)	32.22	9.19	28.5%	41.41	14.59	73.2%	4.87%
Bell	(447.3)	35.12	7.42	21.1%	42.54	11.77	81.3%	4.18%
Manitoba Tel	(26.0)	18.19	4.38	24.1%	22.57	6.95		3.22%
SaskTel	(39.3)	17.07	7.32	42.9%	24.39	11.62		4.42%
AGT	(94.0)	22.85	9.03	39.5%	31.89	14.34	74.3%	4.82%
B.C. Tel	(113.9)	34.72	9.22	26.5%	43.94	14.63	79.5%	4.91%
Total or Mean	(786.2)	31.64	7.64	24.1%	39.28	12.13		4.35%
Unweighted Average		28.22	7.40	26.2%	35.61	11.74		4.41%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(11.7)	37.82	3.99	10.6%	41.82	6.34		
Island Tel	(3.0)	30.36	2.69	8.8%	33.05	4.26	73.7%	
MT&T	(28.3)	25.60	3.49	13.6%	29.09	5.54	71.8%	
NBTel	(22.7)	32.22	3.86	12.0%	36.09	6.13	84.0%	
Bell	(447.3)	35.12	3.41	9.7%	38.53	5.41	87.0%	
Manitoba Tel	(26.0)	18.19	2.30	12.6%	20.49	3.65		
SaskTel	(39.3)	17.07	3.94	23.1%	21.01	6.25		
AGT	(94.0)	22.85	4.98	21.8%	27.84	7.91	81.6%	
B.C. Tel	(113.9)	34.72	4.27	12.3%	38.99	6.77	86.0%	
Total or Mean	(786.2)	31.64	3.66	11.6%	35.30	5.81		
Unweighted Average		28.22	3.66	13.0%	31.88	5.81		

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
Market Lost to Competition:	-10.0%	
		Competing rates discounted by 63.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(11.7)	11.39	2.36	20.7%	13.75	3.75		10.73
Island Tel	(3.0)	10.13	1.85	18.3%	11.99	2.94	79.3%	8.93
MT&T	(28.3)	9.89	2.55	25.8%	12.44	4.05	79.9%	10.82
NBTel	(22.7)	9.12	2.60	28.5%	11.72	4.13	81.0%	8.28
Bell	(447.3)	10.39	2.19	21.1%	12.59	3.48	78.3%	7.55
Manitoba Tel	(26.0)	6.21	1.49	24.1%	7.70	2.37		5.56
SaskTel	(39.3)	6.07	2.60	42.9%	8.67	4.13		8.62
AGT	(94.0)	8.23	3.25	39.5%	11.48	5.16	78.8%	12.22
B.C. Tel	(113.9)	10.08	2.68	26.5%	12.76	4.25	80.8%	10.06
Total or Mean	(786.2)	9.78	2.34	24.0%	12.12	3.72		7.83
Unweighted Average		9.06	2.40	26.5%	11.46	3.81		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(11.7)	11.39	3.99	35.1%	15.38	6.34	
Island Tel	(3.0)	10.13	2.69	26.5%	12.82	4.26	77.0%
MT&T	(28.3)	9.89	3.49	35.3%	13.38	5.54	77.6%
NBTel	(22.7)	9.12	3.86	42.4%	12.98	6.13	75.6%
Bell	(447.3)	10.39	3.41	32.8%	13.80	5.41	74.3%
Manitoba Tel	(26.0)	6.21	2.30	37.1%	8.51	3.65	
SaskTel	(39.3)	6.07	3.94	64.9%	10.01	6.25	
AGT	(94.0)	8.23	4.98	60.6%	13.21	7.91	74.9%
B.C. Tel	(113.9)	10.08	4.27	42.3%	14.35	6.77	77.7%
Total or Mean	(786.2)	9.78	3.63	37.1%	13.40	5.75	
Unweighted Average		9.06	3.66	40.4%	12.72	5.81	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates
discounted by 63.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(4.0)	20.30	5.36	26.4%	25.66	8.51	70.3%	4.75%
Quebec-Tel	(13.0)	20.34	6.31	31.0%	26.65	10.01		4.29%
Telebec	(7.7)	32.05	4.41	13.8%	36.46	7.01		3.79%
Northern Tel	(2.3)	23.75	3.39	14.3%	27.14	5.38		4.82%
Thunder Bay	(1.2)	10.93	0.80	7.3%	11.73	1.27		2.69%
'edmonton tel'	(9.1)	19.24	1.54	8.0%	20.77	2.44		2.54%
Prince Rupert	(0.2)	19.70	0.93	4.7%	20.63	1.48		2.97%
NorthwesTel	(5.9)	12.92	5.76	44.6%	18.68	9.14		4.80%
Total or Mean	(43.3)	19.54	2.70	13.8%	22.24	4.29		4.49%
Unweighted Average		19.90	3.56	17.9%	23.46	5.65		3.83%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(4.0)	20.30	2.55	12.6%	22.85	4.05	72.6%
Quebec-Tel	(13.0)	20.34	3.13	15.4%	23.47	4.96	
Telebec	(7.7)	32.05	2.00	6.3%	34.05	3.18	
Northern Tel	(2.3)	23.75	1.85	7.8%	25.61	2.94	
Thunder Bay	(1.2)	10.93	0.53	4.9%	11.46	0.85	
'edmonton tel'	(9.1)	19.24	1.02	5.3%	20.26	1.62	
Prince Rupert	(0.2)	19.70	0.52	2.6%	20.21	0.82	
NorthwesTel	(5.9)	12.92	4.38	33.9%	17.30	6.96	
Total or Mean	(43.3)	19.54	1.58	8.1%	21.12	2.51	
Unweighted Average		19.90	2.00	10.0%	21.90	3.17	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 63.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(4.0)	8.14	2.15	26.4%	10.29	3.41	89.2%	12.71
Quebec-Tel	(13.0)	7.64	2.37	31.0%	10.01	3.76		9.85
Telebec	(7.7)	11.13	1.53	13.8%	12.67	2.43		6.34
Northern Tel	(2.3)	8.97	1.28	14.3%	10.25	2.03		7.66
Thunder Bay	(1.2)	4.63	0.34	7.3%	4.97	0.54		4.13
'edmonton tel'	(9.1)	6.94	0.55	8.0%	7.49	0.88		4.05
Prince Rupert	(0.2)	8.52	0.40	4.7%	8.92	0.64		2.69
NorthwesTel	(5.9)	6.46	2.88	44.6%	9.34	4.57		13.58
Total or Mean	(43.3)	7.97	1.43	17.9%	9.40	2.27		7.02
Unweighted Average		7.80	1.44	18.4%	9.24	2.28		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(4.0)	8.14	2.55	31.4%	10.69	4.05	88.8%
Quebec-Tel	(13.0)	7.64	3.13	40.9%	10.77	4.96	
Telebec	(7.7)	11.13	2.00	18.0%	13.14	3.18	
Northern Tel	(2.3)	8.97	1.85	20.7%	10.83	2.94	
Thunder Bay	(1.2)	4.63	0.53	11.5%	5.17	0.85	
'edmonton tel'	(9.1)	6.94	1.02	14.7%	7.96	1.62	
Prince Rupert	(0.2)	8.52	0.52	6.0%	9.03	0.82	
NorthwesTel	(5.9)	6.46	4.38	67.8%	10.84	6.96	
Total or Mean	(43.3)	7.97	1.99	25.0%	9.96	3.16	
Unweighted Average		7.80	2.00	25.6%	9.80	3.17	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Competing rates discounted by 65.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(23.2)	37.82	15.58	41.2%	53.40	23.97		8.50%
Island Tel	(5.9)	30.36	11.03	36.3%	41.39	16.97	61.6%	9.09%
MT&T	(56.3)	25.60	13.17	51.5%	38.77	20.26	59.9%	9.42%
NBTel	(45.3)	32.22	18.30	56.8%	50.52	28.15	60.6%	9.89%
Bell	(889.8)	35.12	14.75	42.0%	49.88	22.70	73.0%	8.46%
Manitoba Tel	(51.8)	18.19	8.72	48.0%	26.91	13.42		6.58%
SaskTel	(78.4)	17.07	14.60	85.5%	31.67	22.46		9.01%
AGT	(187.4)	22.85	18.00	78.8%	40.85	27.69	62.1%	9.86%
B.C. Tel	(226.5)	34.72	18.33	52.8%	53.05	28.20	70.3%	9.98%
Total or Mean	(1,564.6)	31.64	15.20	48.1%	46.84	23.39		8.82%
Unweighted Average		28.22	14.72	52.2%	42.94	22.65		8.98%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(23.2)	37.82	7.94	21.0%	45.76	12.22	
Island Tel	(5.9)	30.36	5.33	17.6%	35.69	8.20	69.2%
MT&T	(56.3)	25.60	6.95	27.2%	32.55	10.69	66.9%
NBTel	(45.3)	32.22	7.69	23.9%	39.92	11.83	76.4%
Bell	(889.8)	35.12	6.78	19.3%	41.90	10.43	82.4%
Manitoba Tel	(51.8)	18.19	4.58	25.2%	22.77	7.05	
SaskTel	(78.4)	17.07	7.86	46.0%	24.93	12.09	
AGT	(187.4)	22.85	9.93	43.5%	32.79	15.28	73.4%
B.C. Tel	(226.5)	34.72	8.48	24.4%	43.21	13.05	80.7%
Total or Mean	(1,564.6)	31.64	7.28	23.0%	38.92	11.20	
Unweighted Average		28.22	7.28	25.8%	35.50	11.21	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	0.00 cts/min	0.0% of Telco rate
Market Lost to Competition:	-20.0%	
		Competing rates discounted by 65.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(23.2)	11.39	4.69	41.2%	16.08	7.22		10.29
Island Tel	(5.9)	10.13	3.68	36.3%	13.81	5.66	74.5%	8.55
MT&T	(56.3)	9.89	5.09	51.5%	14.98	7.83	73.7%	10.40
NBTel	(45.3)	9.12	5.18	56.8%	14.30	7.97	70.6%	7.95
Bell	(889.8)	10.39	4.37	42.0%	14.76	6.72	71.3%	7.24
Manitoba Tel	(51.8)	6.21	2.98	48.0%	9.18	4.58		5.34
SaskTel	(78.4)	6.07	5.19	85.5%	11.26	7.99		8.30
AGT	(187.4)	8.23	6.48	78.8%	14.71	9.97	72.0%	11.75
B.C. Tel	(226.5)	10.08	5.32	52.8%	15.41	8.19	75.7%	9.65
Total or Mean	(1,564.6)	9.78	4.66	47.7%	14.44	7.17		7.51
Unweighted Average		9.06	4.77	52.7%	13.83	7.35		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(23.2)	11.39	7.94	69.7%	19.33	12.22	
Island Tel	(5.9)	10.13	5.33	52.6%	15.46	8.20	70.1%
MT&T	(56.3)	9.89	6.95	70.3%	16.84	10.69	68.4%
NBTel	(45.3)	9.12	7.69	84.3%	16.81	11.83	60.5%
Bell	(889.8)	10.39	6.78	65.2%	17.17	10.43	62.0%
Manitoba Tel	(51.8)	6.21	4.58	73.8%	10.79	7.05	
SaskTel	(78.4)	6.07	7.86	129.5%	13.93	12.09	
AGT	(187.4)	8.23	9.93	120.7%	18.16	15.28	65.0%
B.C. Tel	(226.5)	10.08	8.48	84.1%	18.57	13.05	68.7%
Total or Mean	(1,564.6)	9.78	7.21	73.8%	16.99	11.10	
Unweighted Average		9.06	7.28	80.4%	16.34	11.21	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates
discounted by 65.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	--------- BUSINESS --------- MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(7.9)	20.30	10.67	52.6%	30.97	16.42	65.1%	9.70%
Quebec-Tel	(25.9)	20.34	12.57	61.8%	32.91	19.34		8.70%
Telebec	(15.3)	32.05	8.79	27.4%	40.83	13.52		7.68%
Northern Tel	(4.7)	23.75	6.78	28.5%	30.53	10.43		9.64%
Thunder Bay	(2.3)	10.93	1.60	14.6%	12.53	2.46		5.38%
'edmonton tel'	(18.3)	19.24	3.08	16.0%	22.32	4.74		5.12%
Prince Rupert	(0.3)	19.70	1.87	9.5%	21.57	2.87		5.95%
NorthwesTel	(11.8)	12.92	11.45	88.6%	24.37	17.61		9.81%
Total or Mean	(86.4)	19.54	5.39	27.6%	24.94	8.30		9.07%
Unweighted Average		19.30	7.10	35.7%	27.00	10.93		7.75%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(7.9)	20.30	5.08	25.0%	25.38	7.82	70.1%
Quebec-Tel	(25.9)	20.34	6.23	30.6%	26.57	9.59	
Telebec	(15.3)	32.05	3.99	12.5%	36.04	6.14	
Northern Tel	(4.7)	23.75	3.71	15.6%	27.46	5.70	
Thunder Bay	(2.3)	10.93	1.07	9.7%	11.99	1.64	
'edmonton tel'	(18.3)	19.24	2.05	10.6%	21.28	3.15	
Prince Rupert	(0.3)	19.70	1.03	5.2%	20.73	1.58	
NorthwesTel	(11.8)	12.92	8.72	67.5%	21.64	13.41	
Total or Mean	(86.4)	19.54	3.16	16.2%	22.70	4.86	
Unweighted Average		19.90	3.98	20.0%	23.89	6.13	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
Market Lost to Competition:	-20.0%	
		Competing rates discounted by 65.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(7.9)	8.14	4.28	52.6%	12.42	6.59	86.2%	12.21
Quebec-Tel	(25.9)	7.64	4.72	61.8%	12.37	7.27		9.47
Telebec	(15.3)	11.13	3.05	27.4%	14.19	4.70		6.09
Northern Tel	(4.7)	8.97	2.56	28.5%	11.53	3.94		7.39
Thunder Bay	(2.3)	4.63	0.68	14.6%	5.31	1.04		3.98
'edmonton tel'	(18.3)	6.94	1.11	16.0%	8.05	1.71		3.91
Prince Rupert	(0.3)	8.52	0.81	9.5%	9.32	1.24		2.59
NorthwesTel	(11.8)	6.46	5.72	88.6%	12.18	8.81		13.03
Total or Mean	(86.4)	7.97	2.85	35.8%	10.82	4.39		6.75
Unweighted Average		7.80	2.87	36.7%	10.67	4.41		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(7.9)	8.14	5.08	62.5%	13.23	7.82	84.8%
Quebec-Tel	(25.9)	7.64	6.23	81.6%	13.87	9.59	
Telebec	(15.3)	11.13	3.99	35.8%	15.12	6.14	
Northern Tel	(4.7)	8.97	3.71	41.3%	12.68	5.70	
Thunder Bay	(2.3)	4.63	1.07	23.0%	5.70	1.64	
'edmonton tel'	(18.3)	6.94	2.05	29.5%	8.99	3.15	
Prince Rupert	(0.3)	8.52	1.03	12.1%	9.54	1.58	
NorthwesTel	(11.8)	6.45	8.72	134.9%	15.18	13.41	
Total or Mean	(86.4)	7.97	3.97	49.8%	11.94	6.11	
Unweighted Average		7.80	3.98	51.0%	11.79	6.13	

REBALANCED RATES

Bell/B.C.Tel Only

R(B)

2. REBALANCED RATES

Bell/B.C.Tel Only

R(B)

SEQUENCE OF TABLES

- 0% rate discount by Competitor
  - 10% market loss by Telcos
  - 20% market loss by Telcos

- 10% rate discount by Competitor
  - 10% market loss by Telcos
  - 20% market loss by Telcos

- 25% rate discount by Competitor
  - 10% market loss by Telcos
  - 20% market loss by Telcos

- Maximum rate discount by Competitor (no contribution payment)
  - 10% market loss by Telcos
  - 20% market loss by Telcos

For explanation of Tables, see Pages III-1 to III-7 of the Final Report

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(0.0)	50.71	0.00	0.0%	50.71	NA	NA	0.00%
Island Tel	0.0	42.98	0.00	0.0%	42.98	NA	NA	0.00%
MT&T	0.0	39.69	0.00	0.0%	39.69	NA	NA	0.00%
NBTel	(0.0)	54.14	0.00	0.0%	54.14	NA	NA	0.00%
Bell	0.0	51.57	0.00	0.0%	51.57	NA	NA	0.00%
Manitoba Tel	0.0	30.40	0.00	0.0%	30.40	NA	NA	0.00%
SaskTel	(0.0)	32.67	0.00	0.0%	32.67	NA	NA	0.00%
AGT	(0.0)	42.59	0.00	0.0%	42.59	NA	NA	0.00%
B.C. Tel	0.0	58.08	0.00	0.0%	58.08	NA	NA	0.00%
Total or Mean	0.0	48.96	0.00	0.0%	48.96	NA		0.00%
Unweighted Average		44.76	0.00	0.0%	44.76	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(0.0)	50.71	0.00	0.0%	50.71	NA	NA
Island Tel	0.0	42.98	0.00	0.0%	42.98	NA	NA
MT&T	0.0	39.69	0.00	0.0%	39.69	NA	NA
NBTel	(0.0)	54.14	0.00	0.0%	54.14	NA	NA
Bell	0.0	51.57	0.00	0.0%	51.57	NA	NA
Manitoba Tel	0.0	30.40	0.00	0.0%	30.40	NA	NA
SaskTel	(0.0)	32.67	0.00	0.0%	32.67	NA	NA
AGT	(0.0)	42.59	0.00	0.0%	42.59	NA	NA
B.C. Tel	0.0	58.08	0.00	0.0%	58.08	NA	NA
Total or Mean	0.0	48.96	0.00	0.0%	48.96	NA	
Unweighted Average		44.76	0.00	0.0%	44.76	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(0.0)	15.27	0.00	0.0%	15.27	NA	NA	NA
Island Tel	0.0	14.34	0.00	0.0%	14.34	NA	NA	NA
MT&T	0.0	15.33	0.00	0.0%	15.33	NA	NA	NA
NBTel	(0.0)	15.32	0.00	0.0%	15.32	NA	NA	NA
Bell	0.0	15.26	0.00	0.0%	15.26	NA	NA	NA
Manitoba Tel	0.0	10.37	0.00	0.0%	10.37	NA	NA	NA
SaskTel	(0.0)	11.62	0.00	0.0%	11.62	NA	NA	NA
AGT	(0.0)	15.33	0.00	0.0%	15.33	NA	NA	NA
B.C. Tel	0.0	16.86	0.00	0.0%	16.86	NA	NA	NA
Total or Mean	0.0	15.09	0.00	0.0%	15.09	NA		NA
Unweighted Average		14.41	0.00	0.0%	14.41	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(0.0)	15.27	0.00	0.0%	15.27	NA	NA
Island Tel	0.0	14.34	0.00	0.0%	14.34	NA	NA
MT&T	0.0	15.33	0.00	0.0%	15.33	NA	NA
NBTel	(0.0)	15.32	0.00	0.0%	15.32	NA	NA
Bell	0.0	15.26	0.00	0.0%	15.26	NA	NA
Manitoba Tel	0.0	10.37	0.00	0.0%	10.37	NA	NA
SaskTel	(0.0)	11.62	0.00	0.0%	11.62	NA	NA
AGT	(0.0)	15.33	0.00	0.0%	15.33	NA	NA
B.C. Tel	0.0	16.86	0.00	0.0%	16.86	NA	NA
Total or Mean	0.0	15.09	0.00	0.0%	15.09	NA	
Unweighted Average		14.41	0.00	0.0%	14.41	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 6.45 cts/min 20.1% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.9)	50.71	1.24	2.5%	51.95	NA	NA	0.62%
Island Tel	(0.6)	42.98	1.08	2.5%	44.06	NA	NA	0.80%
MT&T	(4.6)	39.69	1.07	2.7%	40.76	NA	NA	0.69%
NBTel	(3.2)	54.14	1.30	2.4%	55.44	NA	NA	0.64%
Bell	(58.0)	51.57	0.96	1.9%	52.53	NA	NA	0.52%
Manitoba Tel	(5.3)	30.40	0.89	2.9%	31.29	NA	NA	0.61%
SaskTel	(6.4)	32.67	1.18	3.6%	33.86	NA	NA	0.67%
AGT	(16.2)	42.59	1.55	3.6%	44.15	NA	NA	0.77%
B.C. Tel	(30.4)	58.08	2.46	4.2%	60.54	NA	NA	1.23%
Total or Mean	(126.4)	48.96	1.23	2.5%	50.20	NA		0.66%
Unweighted Average		44.76	1.30	2.9%	46.06	NA		0.73%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(1.9)	50.71	0.63	1.3%	51.34	NA	NA
Island Tel	(0.6)	42.98	0.52	1.2%	43.50	NA	NA
MT&T	(4.6)	39.69	0.57	1.4%	40.26	NA	NA
NBTel	(3.2)	54.14	0.55	1.0%	54.69	NA	NA
Bell	(58.0)	51.57	0.44	0.9%	52.01	NA	NA
Manitoba Tel	(5.3)	30.40	0.47	1.5%	30.87	NA	NA
SaskTel	(6.4)	32.67	0.64	1.9%	33.31	NA	NA
AGT	(16.2)	42.59	0.86	2.0%	43.45	NA	NA
B.C. Tel	(30.4)	58.08	1.14	2.0%	59.22	NA	NA
Total or Mean	(126.4)	48.96	0.59	1.2%	49.56	NA	
Unweighted Average		44.76	0.65	1.4%	45.41	NA	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	6.45 cts/min	20.1% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(1.9)	15.27	0.37	2.5%	15.64	NA	NA	NA
Island Tel	(0.6)	14.34	0.36	2.5%	14.70	NA	NA	NA
MT&T	(4.6)	15.33	0.41	2.7%	15.75	NA	NA	NA
NBTel	(3.2)	15.32	0.37	2.4%	15.69	NA	NA	NA
Bell	(58.0)	15.26	0.28	1.9%	15.54	NA	NA	8.21
Manitoba Tel	(5.3)	10.37	0.30	2.9%	10.68	NA	NA	NA
SaskTel	(6.4)	11.62	0.42	3.6%	12.04	NA	NA	NA
AGT	(16.2)	15.33	0.56	3.6%	15.89	NA	NA	NA
B.C. Tel	(30.4)	16.86	0.71	4.2%	17.58	NA	NA	12.94
Total or Mean	(126.4)	15.09	0.37	2.5%	15.46	NA		9.72
Unweighted Average		14.41	0.42	2.9%	14.83	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(1.9)	15.27	0.63	4.2%	15.90	NA	NA
Island Tel	(0.6)	14.34	0.52	3.6%	14.86	NA	NA
MT&T	(4.6)	15.33	0.57	3.7%	15.90	NA	NA
NBTel	(3.2)	15.32	0.55	3.6%	15.87	NA	NA
Bell	(58.0)	15.26	0.44	2.9%	15.70	NA	NA
Manitoba Tel	(5.3)	10.37	0.47	4.5%	10.84	NA	NA
SaskTel	(6.4)	11.62	0.64	5.5%	12.25	NA	NA
AGT	(16.2)	15.33	0.86	5.6%	16.19	NA	NA
B.C. Tel	(30.4)	16.86	1.14	6.7%	18.00	NA	NA
Total or Mean	(126.4)	15.09	0.58	3.9%	15.67	NA	
Unweighted Average		14.41	0.65	4.5%	15.06	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
Geographic Areas of Competition:	Bell-B.C.Tel Only	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	7.15 cts/min	22.2% of Telco rate.
Market Lost to Competition:	-20.0%	
Productivity Improvement:	0.0%	Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.7)	50.71	2.47	4.9%	53.18	NA	NA	1.23%
Island Tel	(1.2)	42.98	2.14	5.0%	45.12	NA	NA	1.59%
MT&T	(9.1)	39.69	2.13	5.4%	41.82	NA	NA	1.38%
NBTel	(6.5)	54.14	2.61	4.8%	56.76	NA	NA	1.30%
Bell	(65.3)	51.57	1.08	2.1%	52.65	NA	NA	0.60%
Manitoba Tel	(10.5)	30.40	1.77	5.8%	32.17	NA	NA	1.21%
SaskTel	(12.6)	32.67	2.34	7.2%	35.01	NA	NA	1.32%
AGT	(32.1)	42.59	3.08	7.2%	45.68	NA	NA	1.53%
B.C. Tel	(55.6)	58.08	4.50	7.7%	62.58	NA	NA	2.30%
Total or Mean	(196.4)	48.96	1.91	3.9%	50.88	NA		1.05%
Unweighted Average		44.76	2.46	5.5%	47.22	NA		1.38%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(3.7)	50.71	1.26	2.5%	51.97	NA	NA
Island Tel	(1.2)	42.98	1.03	2.4%	44.02	NA	NA
MT&T	(9.1)	39.69	1.12	2.8%	40.82	NA	NA
NBTel	(6.5)	54.14	1.10	2.0%	55.24	NA	NA
Bell	(65.3)	51.57	0.50	1.0%	52.07	NA	NA
Manitoba Tel	(10.5)	30.40	0.93	3.1%	31.33	NA	NA
SaskTel	(12.6)	32.67	1.26	3.9%	33.93	NA	NA
AGT	(32.1)	42.59	1.70	4.0%	44.30	NA	NA
B.C. Tel	(55.6)	58.08	2.08	3.6%	60.16	NA	NA
Total or Mean	(196.4)	48.96	0.93	1.9%	49.89	NA	
Unweighted Average		44.76	1.22	2.7%	45.98	NA	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	7.15 cts/min	22.2% of Telco rate.
	Market Lost to Competition:	-20.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.7)	15.27	0.74	4.9%	16.01	NA	NA	NA
Island Tel	(1.2)	14.34	0.71	5.0%	15.06	NA	NA	NA
MT&T	(9.1)	15.33	0.82	5.4%	16.15	NA	NA	NA
NBTel	(6.5)	15.32	0.74	4.8%	16.06	NA	NA	NA
Bell	(65.3)	15.26	0.32	2.1%	15.58	NA	NA	8.15
Manitoba Tel	(10.5)	10.37	0.60	5.8%	10.98	NA	NA	NA
SaskTel	(12.6)	11.62	0.83	7.2%	12.45	NA	NA	NA
AGT	(32.1)	15.33	1.11	7.2%	16.44	NA	NA	NA
B.C. Tel	(55.6)	16.86	1.31	7.7%	18.17	NA	NA	13.21
Total or Mean	(196.4)	15.09	0.58	3.8%	15.66	NA		9.69
Unweighted Average		14.41	0.80	5.5%	15.21	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(3.7)	15.27	1.26	8.3%	16.53	NA	NA
Island Tel	(1.2)	14.34	1.03	7.2%	15.38	NA	NA
MT&T	(9.1)	15.33	1.12	7.3%	16.46	NA	NA
NBTel	(6.5)	15.32	1.10	7.2%	16.42	NA	NA
Bell	(65.3)	15.26	0.50	3.3%	15.76	NA	NA
Manitoba Tel	(10.5)	10.37	0.93	9.0%	11.30	NA	NA
SaskTel	(12.6)	11.62	1.26	10.8%	12.88	NA	NA
AGT	(32.1)	15.33	1.70	11.1%	17.04	NA	NA
B.C. Tel	(55.6)	16.86	2.08	12.3%	18.95	NA	NA
Total or Mean	(196.4)	15.09	0.89	5.9%	15.98	NA	
Unweighted Average		14.41	1.22	8.5%	15.63	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 5.10 cts/min 15.9% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.9)	50.71	1.24	2.5%	51.95	NA	NA	0.62%
Island Tel	(0.6)	42.98	1.08	2.5%	44.06	NA	NA	0.80%
MT&T	(4.6)	39.69	1.07	2.7%	40.76	NA	NA	0.69%
NBTel	(3.2)	54.14	1.30	2.4%	55.44	NA	NA	0.64%
Bell	(90.2)	51.57	1.50	2.9%	53.07	14.96	78.7%	0.81%
Manitoba Tel	(5.3)	30.40	0.89	2.9%	31.29	NA	NA	0.61%
SaskTel	(6.4)	32.67	1.18	3.6%	33.86	NA	NA	0.67%
AGT	(16.2)	42.59	1.55	3.6%	44.15	NA	NA	0.77%
B.C. Tel	(35.3)	58.08	2.86	4.9%	60.93	28.56	70.1%	1.43%
Total or Mean	(163.6)	48.96	1.60	3.3%	50.56	16.01		0.86%
Unweighted Average		44.76	1.41	3.1%	46.17	14.08		0.78%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(1.9)	50.71	0.63	1.3%	51.34	NA	NA
Island Tel	(0.6)	42.98	0.52	1.2%	43.50	NA	NA
MT&T	(4.6)	39.69	0.57	1.4%	40.26	NA	NA
NBTel	(3.2)	54.14	0.55	1.0%	54.69	NA	NA
Bell	(90.2)	51.57	0.69	1.3%	52.26	6.87	85.6%
Manitoba Tel	(5.3)	30.40	0.47	1.5%	30.87	NA	NA
SaskTel	(6.4)	32.67	0.64	1.9%	33.31	NA	NA
AGT	(16.2)	42.59	0.86	2.0%	43.45	NA	NA
B.C. Tel	(35.3)	58.08	1.32	2.3%	59.40	13.22	80.6%
Total or Mean	(163.6)	48.96	0.76	1.6%	49.72	7.62	
Unweighted Average		44.76	0.69	1.5%	45.45	6.93	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 5.10 cts/min 15.9% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(1.9)	15.27	0.37	2.5%	15.64	NA	NA	NA
Island Tel	(0.6)	14.34	0.36	2.5%	14.70	NA	NA	NA
MT&T	(4.6)	15.33	0.41	2.7%	15.75	NA	NA	NA
NBTel	(3.2)	15.32	0.37	2.4%	15.69	NA	NA	NA
Bell	(90.2)	15.26	0.44	2.9%	15.70	4.43	76.5%	7.66
Manitoba Tel	(5.3)	10.37	0.30	2.9%	10.68	NA	NA	NA
SaskTel	(6.4)	11.62	0.42	3.6%	12.04	NA	NA	NA
AGT	(16.2)	15.33	0.56	3.6%	15.89	NA	NA	NA
B.C. Tel	(35.3)	16.86	0.83	4.9%	17.69	8.29	75.6%	12.14
Total or Mean	(163.6)	15.09	0.49	3.2%	15.58	4.89		9.05
Unweighted Average		14.41	0.45	3.1%	14.86	4.52		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(1.9)	15.27	0.63	4.2%	15.90	NA	NA
Island Tel	(0.6)	14.34	0.52	3.6%	14.86	NA	NA
MT&T	(4.6)	15.33	0.57	3.7%	15.90	NA	NA
NBTel	(3.2)	15.32	0.55	3.6%	15.87	NA	NA
Bell	(90.2)	15.26	0.69	4.5%	15.95	6.87	70.9%
Manitoba Tel	(5.3)	10.37	0.47	4.5%	10.84	NA	NA
SaskTel	(6.4)	11.62	0.64	5.5%	12.25	NA	NA
AGT	(16.2)	15.33	0.86	5.6%	16.19	NA	NA
B.C. Tel	(35.3)	16.86	1.32	7.8%	18.19	13.22	68.5%
Total or Mean	(163.6)	15.09	0.76	5.0%	15.85	7.59	
Unweighted Average		14.41	0.69	4.8%	15.11	6.93	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	5.75 cts/min	17.8% of Telco rate.
	Market Lost to Competition:	-20.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.7)	50.71	2.47	4.9%	53.18	NA	NA	1.23%
Island Tel	(1.2)	42.98	2.14	5.0%	45.12	NA	NA	1.59%
MT&T	(9.1)	39.69	2.13	5.4%	41.82	NA	NA	1.38%
NBTel	(6.5)	54.14	2.61	4.8%	56.76	NA	NA	1.30%
Bell	(130.3)	51.57	2.16	4.2%	53.73	21.61	73.8%	1.19%
Manitoba Tel	(10.5)	30.40	1.77	5.8%	32.17	NA	NA	1.21%
SaskTel	(12.6)	32.67	2.34	7.2%	35.01	NA	NA	1.32%
AGT	(32.1)	42.59	3.08	7.2%	45.68	NA	NA	1.53%
B.C. Tel	(65.1)	58.08	5.27	9.1%	63.35	52.71	58.2%	2.70%
Total or Mean	(271.0)	48.96	2.65	5.4%	51.61	26.49		1.44%
Unweighted Average		44.76	2.66	6.0%	47.42	26.64		1.49%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(3.7)	50.71	1.26	2.5%	51.97	NA	NA
Island Tel	(1.2)	42.98	1.03	2.4%	44.02	NA	NA
MT&T	(9.1)	39.69	1.12	2.8%	40.82	NA	NA
NBTel	(6.5)	54.14	1.10	2.0%	55.24	NA	NA
Bell	(130.3)	51.57	0.99	1.9%	52.56	9.93	82.8%
Manitoba Tel	(10.5)	30.40	0.93	3.1%	31.33	NA	NA
SaskTel	(12.6)	32.67	1.26	3.9%	33.93	NA	NA
AGT	(32.1)	42.59	1.70	4.0%	44.30	NA	NA
B.C. Tel	(65.1)	58.08	2.44	4.2%	60.52	24.40	72.7%
Total or Mean	(271.0)	48.96	1.27	2.6%	50.23	12.69	
Unweighted Average		44.76	1.32	2.9%	46.08	13.16	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 5.75 cts/min 17.8% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(3.7)	15.27	0.74	4.9%	16.01	NA	NA	NA
Island Tel	(1.2)	14.34	0.71	5.0%	15.06	NA	NA	NA
MT&T	(9.1)	15.33	0.82	5.4%	16.15	NA	NA	NA
NBTel	(6.5)	15.32	0.74	4.8%	16.06	NA	NA	NA
Bell	(130.3)	15.26	0.64	4.2%	15.90	6.39	72.1%	7.61
Manitoba Tel	(10.5)	10.37	0.60	5.8%	10.98	NA	NA	NA
SaskTel	(12.6)	11.62	0.83	7.2%	12.45	NA	NA	NA
AGT	(32.1)	15.33	1.11	7.2%	16.44	NA	NA	NA
B.C. Tel	(65.1)	16.86	1.53	9.1%	18.40	15.31	65.5%	12.38
Total or Mean	(271.0)	15.09	0.81	5.3%	15.89	8.05		9.02
Unweighted Average		14.41	0.86	6.0%	15.27	8.60		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

Nfld Tel	(3.7)	15.27	1.26	8.3%	16.53	NA	NA
Island Tel	(1.2)	14.34	1.03	7.2%	15.38	NA	NA
MT&T	(9.1)	15.33	1.12	7.3%	16.46	NA	NA
NBTel	(6.5)	15.32	1.10	7.2%	16.42	NA	NA
Bell	(130.3)	15.26	0.99	6.5%	16.25	9.93	63.3%
Manitoba Tel	(10.5)	10.37	0.93	9.0%	11.30	NA	NA
SaskTel	(12.6)	11.62	1.26	10.8%	12.88	NA	NA
AGT	(32.1)	15.33	1.70	11.1%	17.04	NA	NA
B.C. Tel	(65.1)	16.86	2.44	14.5%	19.30	24.40	53.4%
Total or Mean	(271.0)	15.09	1.25	8.3%	16.34	12.50	
Unweighted Average		14.41	1.32	9.1%	15.73	13.16	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 3.05 cts/min 9.5% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
			($)	(%)				
Nfld Tel	(1.9)	50.71	1.24	2.5%	51.95	NA	NA	0.62%
Island Tel	(0.6)	42.98	1.08	2.5%	44.06	NA	NA	0.80%
MT&T	(4.6)	39.69	1.07	2.7%	40.76	NA	NA	0.69%
NBTel	(3.2)	54.14	1.30	2.4%	55.44	NA	NA	0.64%
Bell	(148.4)	51.57	2.46	4.8%	54.03	9.84	82.9%	1.33%
Manitoba Tel	(5.3)	30.40	0.89	2.9%	31.29	NA	NA	0.61%
SaskTel	(6.4)	32.67	1.18	3.6%	33.86	NA	NA	0.67%
AGT	(16.2)	42.59	1.55	3.6%	44.15	NA	NA	0.77%
B.C. Tel	(44.2)	58.08	3.58	6.2%	61.66	14.31	79.7%	1.80%
Total or Mean	(230.6)	48.96	2.26	4.6%	51.23	9.06		1.21%
Unweighted Average		44.76	1.59	3.6%	46.36	6.38		0.88%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

Nfld Tel	(1.9)	50.71	0.63	1.3%	51.34	NA	NA
Island Tel	(0.6)	42.98	0.52	1.2%	43.50	NA	NA
MT&T	(4.6)	39.69	0.57	1.4%	40.26	NA	NA
NBTel	(3.2)	54.14	0.55	1.0%	54.69	NA	NA
Bell	(148.4)	51.57	1.13	2.2%	52.70	4.52	87.8%
Manitoba Tel	(5.3)	30.40	0.47	1.5%	30.87	NA	NA
SaskTel	(6.4)	32.67	0.64	1.9%	33.31	NA	NA
AGT	(16.2)	42.59	0.86	2.0%	43.45	NA	NA
B.C. Tel	(44.2)	58.08	1.66	2.9%	59.73	6.62	86.1%
Total or Mean	(230.6)	48.96	1.07	2.2%	50.03	4.27	
Unweighted Average		44.76	0.78	1.7%	45.54	3.12	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 3.05 cts/min 9.5% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(1.9)	15.27	0.37	2.5%	15.64	NA	NA	NA
Island Tel	(0.6)	14.34	0.36	2.5%	14.70	NA	NA	NA
MT&T	(4.6)	15.33	0.41	2.7%	15.75	NA	NA	NA
NBTel	(3.2)	15.32	0.37	2.4%	15.69	NA	NA	NA
Bell	(148.4)	15.26	0.73	4.8%	15.99	2.91	79.4%	6.79
Manitoba Tel	(5.3)	10.37	0.30	2.9%	10.68	NA	NA	NA
SaskTel	(6.4)	11.62	0.42	3.6%	12.04	NA	NA	NA
AGT	(16.2)	15.33	0.56	3.6%	15.89	NA	NA	NA
B.C. Tel	(44.2)	16.86	1.04	6.2%	17.90	4.16	80.9%	10.88
Total or Mean	(230.6)	15.09	0.70	4.6%	15.78	2.78		7.99
Unweighted Average		14.41	0.51	3.5%	14.92	2.03		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(1.9)	15.27	0.63	4.2%	15.90	NA	NA
Island Tel	(0.6)	14.34	0.52	3.6%	14.86	NA	NA
MT&T	(4.6)	15.33	0.57	3.7%	15.90	NA	NA
NBTel	(3.2)	15.32	0.55	3.6%	15.87	NA	NA
Bell	(148.4)	15.26	1.13	7.4%	16.39	4.52	76.3%
Manitoba Tel	(5.3)	10.37	0.47	4.5%	10.84	NA	NA
SaskTel	(6.4)	11.62	0.64	5.5%	12.25	NA	NA
AGT	(16.2)	15.33	0.86	5.6%	16.19	NA	NA
B.C. Tel	(44.2)	16.86	1.66	9.8%	18.52	6.62	77.9%
Total or Mean	(230.6)	15.09	1.08	7.2%	16.17	4.32	
Unweighted Average		14.41	0.78	5.4%	15.19	3.12	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 3.65 cts/min 11.3% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.7)	50.71	2.47	4.9%	53.18	NA	NA	1.23%
Island Tel	(1.2)	42.98	2.14	5.0%	45.12	NA	NA	1.59%
MT&T	(9.1)	39.69	2.13	5.4%	41.82	NA	NA	1.38%
NBTel	(6.5)	54.14	2.61	4.8%	56.76	NA	NA	1.30%
Bell	(245.5)	51.57	4.07	7.9%	55.64	16.28	77.6%	2.24%
Manitoba Tel	(10.5)	30.40	1.77	5.8%	32.17	NA	NA	1.21%
SaskTel	(12.6)	32.67	2.34	7.2%	35.01	NA	NA	1.32%
AGT	(32.1)	42.59	3.08	7.2%	45.68	NA	NA	1.53%
B.C. Tel	(82.0)	58.08	6.64	11.4%	64.72	26.55	71.3%	3.40%
Total or Mean	(403.1)	48.96	3.95	8.1%	52.92	15.82		2.15%
Unweighted Average		44.76	3.03	6.8%	47.79	12.11		1.69%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

Nfld Tel	(3.7)	50.71	1.26	2.5%	51.97	NA	NA
Island Tel	(1.2)	42.98	1.03	2.4%	44.02	NA	NA
MT&T	(9.1)	39.69	1.12	2.8%	40.82	NA	NA
NBTel	(6.5)	54.14	1.10	2.0%	55.24	NA	NA
Bell	(245.5)	51.57	1.87	3.6%	53.44	7.48	85.0%
Manitoba Tel	(10.5)	30.40	0.93	3.1%	31.33	NA	NA
SaskTel	(12.6)	32.67	1.26	3.9%	33.93	NA	NA
AGT	(32.1)	42.59	1.70	4.0%	44.30	NA	NA
B.C. Tel	(82.0)	58.08	3.07	5.3%	61.15	12.29	81.3%
Total or Mean	(403.1)	48.96	1.87	3.8%	50.83	7.48	
Unweighted Average		44.76	1.48	3.3%	46.24	5.93	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	3.65 cts/min	11.3% of Telco rate.
	Market Lost to Competition:	-20.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.7)	15.27	0.74	4.9%	16.01	NA	NA	NA
Island Tel	(1.2)	14.34	0.71	5.0%	15.06	NA	NA	NA
MT&T	(9.1)	15.33	0.82	5.4%	16.15	NA	NA	NA
NBTel	(6.5)	15.32	0.74	4.8%	16.06	NA	NA	NA
Bell	(245.5)	15.26	1.20	7.9%	16.46	4.82	75.7%	6.75
Manitoba Tel	(10.5)	10.37	0.60	5.8%	10.98	NA	NA	NA
SaskTel	(12.6)	11.62	0.83	7.2%	12.45	NA	NA	NA
AGT	(32.1)	15.33	1.11	7.2%	16.44	NA	NA	NA
B.C. Tel	(82.0)	16.86	1.93	11.4%	18.79	7.71	76.4%	11.06
Total or Mean	(403.1)	15.09	1.21	8.0%	16.30	4.85		7.97
Unweighted Average		14.41	0.97	6.7%	15.38	3.87		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(3.7)	15.27	1.26	8.3%	16.53	NA	NA
Island Tel	(1.2)	14.34	1.03	7.2%	15.38	NA	NA
MT&T	(9.1)	15.33	1.12	7.3%	16.46	NA	NA
NBTel	(6.5)	15.32	1.10	7.2%	16.42	NA	NA
Bell	(245.5)	15.26	1.87	12.3%	17.13	7.48	69.4%
Manitoba Tel	(10.5)	10.37	0.93	9.0%	11.30	NA	NA
SaskTel	(12.6)	11.62	1.26	10.8%	12.88	NA	NA
AGT	(32.1)	15.33	1.70	11.1%	17.04	NA	NA
B.C. Tel	(82.0)	16.86	3.07	18.2%	19.94	12.29	69.8%
Total or Mean	(403.1)	15.09	1.88	12.5%	16.97	7.53	
Unweighted Average		14.41	1.48	10.3%	15.90	5.93	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 48.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
			($)	(%)				
Nfld Tel	(1.9)	50.71	1.24	2.5%	51.95	NA	NA	0.62%
Island Tel	(0.6)	42.98	1.08	2.5%	44.06	NA	NA	0.80%
MT&T	(4.6)	39.69	1.07	2.7%	40.76	NA	NA	0.69%
NBTel	(3.2)	54.14	1.30	2.4%	55.44	NA	NA	0.64%
Bell	(268.2)	51.57	4.45	8.6%	56.02	9.26	83.4%	2.41%
Manitoba Tel	(5.3)	30.40	0.89	2.9%	31.29	NA	NA	0.61%
SaskTel	(6.4)	32.67	1.18	3.6%	33.86	NA	NA	0.67%
AGT	(16.2)	42.59	1.55	3.6%	44.15	NA	NA	0.77%
B.C. Tel	(62.6)	58.08	5.06	8.7%	63.14	10.55	82.7%	2.54%
Total or Mean	(368.8)	48.96	3.63	7.4%	52.59	7.56		1.94%
Unweighted Average		44.76	1.98	4.4%	46.74	4.13		1.08%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(1.9)	50.71	0.63	1.3%	51.34	NA	NA
Island Tel	(0.6)	42.98	0.52	1.2%	43.50	NA	NA
MT&T	(4.6)	39.69	0.57	1.4%	40.26	NA	NA
NBTel	(3.2)	54.14	0.55	1.0%	54.69	NA	NA
Bell	(268.2)	51.57	2.04	4.0%	53.61	4.26	88.1%
Manitoba Tel	(5.3)	30.40	0.47	1.5%	30.87	NA	NA
SaskTel	(6.4)	32.67	0.64	1.9%	33.31	NA	NA
AGT	(16.2)	42.59	0.86	2.0%	43.45	NA	NA
B.C. Tel	(62.6)	58.08	2.34	4.0%	60.42	4.88	87.7%
Total or Mean	(368.8)	48.96	1.69	3.5%	50.66	3.53	
Unweighted Average		44.76	0.96	2.1%	45.72	1.99	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 48.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(1.9)	15.27	0.37	2.5%	15.64	NA	NA	NA
Island Tel	(0.6)	14.34	0.36	2.5%	14.70	NA	NA	NA
MT&T	(4.6)	15.33	0.41	2.7%	15.75	NA	NA	NA
NBTel	(3.2)	15.32	0.37	2.4%	15.69	NA	NA	NA
Bell	(268.2)	15.26	1.32	8.6%	16.57	2.74	79.6%	5.33
Manitoba Tel	(5.3)	10.37	0.30	2.9%	10.68	NA	NA	NA
SaskTel	(6.4)	11.62	0.42	3.6%	12.04	NA	NA	NA
AGT	(16.2)	15.33	0.56	3.6%	15.89	NA	NA	NA
B.C. Tel	(62.6)	16.86	1.47	8.7%	18.34	3.06	82.1%	8.74
Total or Mean	(368.8)	15.09	1.12	7.4%	16.21	2.34		6.23
Unweighted Average		14.41	0.62	4.3%	15.03	1.29		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(1.9)	15.27	0.63	4.2%	15.90	NA	NA
Island Tel	(0.6)	14.34	0.52	3.6%	14.86	NA	NA
MT&T	(4.6)	15.33	0.57	3.7%	15.90	NA	NA
NBTel	(3.2)	15.32	0.55	3.6%	15.87	NA	NA
Bell	(268.2)	15.26	2.04	13.4%	17.30	4.26	76.8%
Manitoba Tel	(5.3)	10.37	0.47	4.5%	10.84	NA	NA
SaskTel	(6.4)	11.62	0.64	5.5%	12.25	NA	NA
AGT	(16.2)	15.33	0.86	5.6%	16.19	NA	NA
B.C. Tel	(62.6)	16.86	2.34	13.9%	19.21	4.88	80.1%
Total or Mean	(368.8)	15.09	1.74	11.6%	16.83	3.63	
Unweighted Average		14.41	0.96	6.6%	15.37	1.99	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-20.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 51.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.7)	50.71	2.47	4.9%	53.18	NA	NA	1.23%
Island Tel	(1.2)	42.98	2.14	5.0%	45.12	NA	NA	1.59%
MT&T	(9.1)	39.69	2.13	5.4%	41.82	NA	NA	1.38%
NBTel	(6.5)	54.14	2.61	4.8%	56.76	NA	NA	1.30%
Bell	(533.9)	51.57	8.85	17.2%	60.42	17.19	77.0%	4.88%
Manitoba Tel	(10.5)	30.40	1.77	5.8%	32.17	NA	NA	1.21%
SaskTel	(12.6)	32.67	2.34	7.2%	35.01	NA	NA	1.32%
AGT	(32.1)	42.59	3.08	7.2%	45.68	NA	NA	1.53%
B.C. Tel	(124.3)	58.08	10.06	17.3%	68.14	19.54	75.9%	5.15%
Total or Mean	(733.8)	48.96	7.22	14.8%	56.19	14.02		3.91%
Unweighted Average		44.76	3.94	8.8%	48.70	7.65		2.18%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(3.7)	50.71	1.26	2.5%	51.97	NA	NA
Island Tel	(1.2)	42.98	1.03	2.4%	44.02	NA	NA
MT&T	(9.1)	39.69	1.12	2.8%	40.82	NA	NA
NBTel	(6.5)	54.14	1.10	2.0%	55.24	NA	NA
Bell	(533.9)	51.57	4.07	7.9%	55.64	7.90	84.6%
Manitoba Tel	(10.5)	30.40	0.93	3.1%	31.33	NA	NA
SaskTel	(12.6)	32.67	1.26	3.9%	33.93	NA	NA
AGT	(32.1)	42.59	1.70	4.0%	44.30	NA	NA
B.C. Tel	(124.3)	58.08	4.66	8.0%	62.74	9.04	84.0%
Total or Mean	(733.8)	48.96	3.37	6.9%	52.33	6.55	
Unweighted Average		44.76	1.90	4.3%	46.66	3.70	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 51.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.7)	15.27	0.74	4.9%	16.01	NA	NA	NA
Island Tel	(1.2)	14.34	0.71	5.0%	15.06	NA	NA	NA
MT&T	(9.1)	15.33	0.82	5.4%	16.15	NA	NA	NA
NBTel	(6.5)	15.32	0.74	4.8%	16.06	NA	NA	NA
Bell	(533.9)	15.26	2.62	17.2%	17.88	5.09	75.1%	5.09
Manitoba Tel	(10.5)	10.37	0.60	5.8%	10.98	NA	NA	NA
SaskTel	(12.6)	11.62	0.83	7.2%	12.45	NA	NA	NA
AGT	(32.1)	15.33	1.11	7.2%	16.44	NA	NA	NA
B.C. Tel	(124.3)	16.86	2.92	17.3%	19.79	5.67	79.1%	8.47
Total or Mean	(733.8)	15.09	2.23	14.8%	17.32	4.33		5.93
Unweighted Average		14.41	1.23	8.6%	15.65	2.40		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(3.7)	15.27	1.26	8.3%	16.53	NA	NA
Island Tel	(1.2)	14.34	1.03	7.2%	15.38	NA	NA
MT&T	(9.1)	15.33	1.12	7.3%	16.46	NA	NA
NBTel	(6.5)	15.32	1.10	7.2%	16.42	NA	NA
Bell	(533.9)	15.26	4.07	26.7%	19.33	7.90	68.4%
Manitoba Tel	(10.5)	10.37	0.93	9.0%	11.30	NA	NA
SaskTel	(12.6)	11.62	1.26	10.8%	12.88	NA	NA
AGT	(32.1)	15.33	1.70	11.1%	17.04	NA	NA
B.C. Tel	(124.3)	16.86	4.66	27.6%	21.52	9.04	74.5%
Total or Mean	(733.8)	15.09	3.47	23.0%	18.56	6.74	
Unweighted Average		14.41	1.90	13.2%	16.32	3.70	

REBALANCED RATES

Alternative Case

Bell/B.C.Tel Only

R(B) alt

2. REBALANCED RATES

Bell/B.C.Tel Only
(Alternative Case*)

R(B) alt

SEQUENCE OF TABLES

0% rate discount by Competitor
  10% market loss by Telcos
  20% market loss by Telcos

10% rate discount by Competitor
  10% market loss by Telcos
  20% market loss by Telcos

25% rate discount by Competitor
  10% market loss by Telcos
  20% market loss by Telcos

Maximum rate discount by Competitor
(no contribution payment)
  10% market loss by Telcos
  20% market loss by Telcos

For explanation of Tables, see Pages III-1 to III-7 of the Final Report

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* Payment of Contribution Charges to Telecom Canada

TELECOM CANADA MEMBERS

1 of R(B)alt

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(0.0)	50.71	0.00	0.0%	50.71	NA	NA	0.00%
Island Tel	0.0	42.98	0.00	0.0%	42.98	NA	NA	0.00%
MT&T	0.0	39.69	0.00	0.0%	39.69	NA	NA	0.00%
NBTel	(0.0)	54.14	0.00	0.0%	54.14	NA	NA	0.00%
Bell	0.0	51.57	0.00	0.0%	51.57	NA	NA	0.00%
Manitoba Tel	0.0	30.40	0.00	0.0%	30.40	NA	NA	0.00%
SaskTel	(0.0)	32.67	0.00	0.0%	32.67	NA	NA	0.00%
AGT	(0.0)	42.59	0.00	0.0%	42.59	NA	NA	0.00%
B.C. Tel	0.0	58.08	0.00	0.0%	58.08	NA	NA	0.00%
Total or Mean	0.0	48.96	0.00	0.0%	48.96	NA		0.00%
Unweighted Average		44.76	0.00	0.0%	44.76	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(0.0)	50.71	0.00	0.0%	50.71	NA	NA
Island Tel	0.0	42.98	0.00	0.0%	42.98	NA	NA
MT&T	0.0	39.69	0.00	0.0%	39.69	NA	NA
NBTel	(0.0)	54.14	0.00	0.0%	54.14	NA	NA
Bell	0.0	51.57	0.00	0.0%	51.57	NA	NA
Manitoba Tel	0.0	30.40	0.00	0.0%	30.40	NA	NA
SaskTel	(0.0)	32.67	0.00	0.0%	32.67	NA	NA
AGT	(0.0)	42.59	0.00	0.0%	42.59	NA	NA
B.C. Tel	0.0	58.08	0.00	0.0%	58.08	NA	NA
Total or Mean	0.0	48.96	0.00	0.0%	48.96	NA	
Unweighted Average		44.76	0.00	0.0%	44.76	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(0.0)	15.27	0.00	0.0%	15.27	NA	NA	NA
Island Tel	0.0	14.34	0.00	0.0%	14.34	NA	NA	NA
MT&T	0.0	15.33	0.00	0.0%	15.33	NA	NA	NA
NBTel	(0.0)	15.32	0.00	0.0%	15.32	NA	NA	NA
Bell	0.0	15.26	0.00	0.0%	15.26	NA	NA	NA
Manitoba Tel	0.0	10.37	0.00	0.0%	10.37	NA	NA	NA
SaskTel	(0.0)	11.62	0.00	0.0%	11.62	NA	NA	NA
AGT	(0.0)	15.33	0.00	0.0%	15.33	NA	NA	NA
B.C. Tel	0.0	16.86	0.00	0.0%	16.86	NA	NA	NA
Total or Mean	0.0	15.09	0.00	0.0%	15.09	NA		NA
Unweighted Average		14.41	0.00	0.0%	14.41	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(0.0)	15.27	0.00	0.0%	15.27	NA	NA
Island Tel	0.0	14.34	0.00	0.0%	14.34	NA	NA
MT&T	0.0	15.33	0.00	0.0%	15.33	NA	NA
NBTel	(0.0)	15.32	0.00	0.0%	15.32	NA	NA
Bell	0.0	15.26	0.00	0.0%	15.26	NA	NA
Manitoba Tel	0.0	10.37	0.00	0.0%	10.37	NA	NA
SaskTel	(0.0)	11.62	0.00	0.0%	11.62	NA	NA
AGT	(0.0)	15.33	0.00	0.0%	15.33	NA	NA
B.C. Tel	0.0	16.86	0.00	0.0%	16.86	NA	NA
Total or Mean	0.0	15.09	0.00	0.0%	15.09	NA	
Unweighted Average		14.41	0.00	0.0%	14.41	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 6.45 cts/min 20.1% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	0.0	50.71	-0.03	-0.1%	50.68	NA	NA	-0.01%
Island Tel	0.0	42.98	-0.03	-0.1%	42.96	NA	NA	-0.02%
MT&T	0.1	39.69	-0.03	-0.1%	39.67	NA	NA	-0.02%
NBTel	(1.0)	54.14	0.40	0.7%	54.54	NA	NA	0.20%
Bell	(85.4)	51.57	1.42	2.7%	52.98	NA	NA	0.77%
Manitoba Tel	(1.4)	30.40	0.24	0.8%	30.64	NA	NA	0.16%
SaskTel	(0.9)	32.67	0.17	0.5%	32.84	NA	NA	0.09%
AGT	(2.4)	42.59	0.23	0.5%	42.82	NA	NA	0.11%
B.C. Tel	(40.3)	58.08	3.26	5.6%	61.34	NA	NA	1.64%
Total or Mean	(131.1)	48.96	1.30	2.7%	50.27	NA		0.69%
Unweighted Average		44.76	0.63	1.4%	45.39	NA		0.32%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	0.0	50.71	-0.01	0.0%	50.70	NA	NA
Island Tel	0.0	42.98	-0.01	0.0%	42.97	NA	NA
MT&T	0.1	39.69	-0.01	0.0%	39.68	NA	NA
NBTel	(1.0)	54.14	0.17	0.3%	54.31	NA	NA
Bell	(85.4)	51.57	0.65	1.3%	52.22	NA	NA
Manitoba Tel	(1.4)	30.40	0.12	0.4%	30.53	NA	NA
SaskTel	(0.9)	32.67	0.09	0.3%	32.76	NA	NA
AGT	(2.4)	42.59	0.13	0.3%	42.72	NA	NA
B.C. Tel	(40.3)	58.08	1.51	2.6%	59.59	NA	NA
Total or Mean	(131.1)	48.96	0.60	1.2%	49.57	NA	
Unweighted Average		44.76	0.29	0.7%	45.05	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 6.45 cts/min 20.1% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	0.0	15.27	-0.01	-0.1%	15.26	NA	NA	NA
Island Tel	0.0	14.34	-0.01	-0.1%	14.33	NA	NA	NA
MT&T	0.1	15.33	-0.01	-0.1%	15.32	NA	NA	NA
NBTel	(1.0)	15.32	0.11	0.7%	15.44	NA	NA	NA
Bell	(85.4)	15.26	0.42	2.7%	15.68	NA	NA	9.05
Manitoba Tel	(1.4)	10.37	0.08	0.8%	10.45	NA	NA	NA
SaskTel	(0.9)	11.62	0.06	0.5%	11.68	NA	NA	NA
AGT	(2.4)	15.33	0.08	0.5%	15.42	NA	NA	NA
B.C. Tel	(40.3)	16.86	0.95	5.6%	17.81	NA	NA	15.05
Total or Mean	(131.1)	15.09	0.40	2.6%	15.49	NA		9.84
Unweighted Average		14.41	0.19	1.3%	14.60	NA		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

Nfld Tel	0.0	15.27	-0.01	-0.1%	15.26	NA	NA
Island Tel	0.0	14.34	-0.01	-0.1%	14.33	NA	NA
MT&T	0.1	15.33	-0.01	-0.1%	15.32	NA	NA
NBTel	(1.0)	15.32	0.17	1.1%	15.49	NA	NA
Bell	(85.4)	15.26	0.65	4.3%	15.91	NA	NA
Manitoba Tel	(1.4)	10.37	0.12	1.2%	10.50	NA	NA
SaskTel	(0.9)	11.62	0.09	0.8%	11.71	NA	NA
AGT	(2.4)	15.33	0.13	0.8%	15.46	NA	NA
B.C. Tel	(40.3)	16.86	1.51	8.9%	18.37	NA	NA
Total or Mean	(131.1)	15.09	0.63	4.1%	15.71	NA	
Unweighted Average		14.41	0.29	2.0%	14.70	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 7.15 cts/min 22.2% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	0.6	50.71	-0.43	-0.9%	50.28	NA	NA	-0.22%
Island Tel	0.2	42.98	-0.37	-0.9%	42.61	NA	NA	-0.28%
MT&T	1.6	39.69	-0.37	-0.9%	39.32	NA	NA	-0.24%
NBTel	(1.4)	54.14	0.56	1.0%	54.71	NA	NA	0.28%
Bell	(126.7)	51.57	2.10	4.1%	53.67	NA	NA	1.16%
Manitoba Tel	(1.7)	30.40	0.29	1.0%	30.69	NA	NA	0.20%
SaskTel	(0.2)	32.67	0.04	0.1%	32.71	NA	NA	0.02%
AGT	(0.8)	42.59	0.07	0.2%	42.67	NA	NA	0.04%
B.C. Tel	(78.6)	58.08	6.36	11.0%	64.44	NA	NA	3.26%
Total or Mean	(206.9)	48.96	2.07	4.2%	51.03	NA		1.10%
Unweighted Average		44.76	0.92	2.0%	45.68	NA		0.47%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	0.6	50.71	-0.22	-0.4%	50.49	NA	NA
Island Tel	0.2	42.98	-0.18	-0.4%	42.80	NA	NA
MT&T	1.6	39.69	-0.20	-0.5%	39.49	NA	NA
NBTel	(1.4)	54.14	0.24	0.4%	54.38	NA	NA
Bell	(126.7)	51.57	0.97	1.9%	52.53	NA	NA
Manitoba Tel	(1.7)	30.40	0.15	0.5%	30.55	NA	NA
SaskTel	(0.2)	32.67	0.02	0.1%	32.69	NA	NA
AGT	(0.8)	42.59	0.04	0.1%	42.63	NA	NA
B.C. Tel	(78.6)	58.08	2.95	5.1%	61.02	NA	NA
Total or Mean	(206.9)	48.96	0.95	1.9%	49.92	NA	
Unweighted Average		44.76	0.42	0.9%	45.18	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 7.15 cts/min 22.2% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	0.6	15.27	-0.13	-0.9%	15.14	NA	NA	NA
Island Tel	0.2	14.34	-0.12	-0.9%	14.22	NA	NA	NA
MT&T	1.6	15.33	-0.14	-0.9%	15.19	NA	NA	NA
NBTel	(1.4)	15.32	0.16	1.0%	15.48	NA	NA	NA
Bell	(126.7)	15.26	0.62	4.1%	15.88	NA	NA	9.08
Manitoba Tel	(1.7)	10.37	0.10	1.0%	10.47	NA	NA	NA
SaskTel	(0.2)	11.62	0.01	0.1%	11.63	NA	NA	NA
AGT	(0.8)	15.33	0.03	0.2%	15.36	NA	NA	NA
B.C. Tel	(78.6)	16.86	1.85	11.0%	18.71	NA	NA	15.72
Total or Mean	(206.9)	15.09	0.63	4.2%	15.72	NA		9.83
Unweighted Average		14.41	0.26	1.8%	14.68	NA		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

Nfld Tel	0.6	15.27	-0.22	-1.4%	15.05	NA	NA
Island Tel	0.2	14.34	-0.18	-1.3%	14.16	NA	NA
MT&T	1.6	15.33	-0.20	-1.3%	15.13	NA	NA
NBTel	(1.4)	15.32	0.24	1.5%	15.56	NA	NA
Bell	(126.7)	15.26	0.97	6.3%	16.22	NA	NA
Manitoba Tel	(1.7)	10.37	0.15	1.5%	10.53	NA	NA
SaskTel	(0.2)	11.62	0.02	0.2%	11.64	NA	NA
AGT	(0.8)	15.33	0.04	0.3%	15.37	NA	NA
B.C. Tel	(78.6)	16.86	2.95	17.5%	19.81	NA	NA
Total or Mean	(206.9)	15.09	0.99	6.6%	16.08	NA	
Unweighted Average		14.41	0.42	2.9%	14.83	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER		
Geographic Areas of Competition:	Bell-B.C.Tel Only		
Rate Structure:	REBALANCED RATES		
Contribution Charge:	5.10 cts/min	15.9% of Telco rate.	
Market Lost to Competition:	-10.0%		
Productivity Improvement:	0.0%	Competing rates discounted by	10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(0.2)	50.71	0.17	0.3%	50.88	NA	NA	0.08%
Island Tel	(0.1)	42.98	0.14	0.3%	43.13	NA	NA	0.11%
MT&T	(0.6)	39.69	0.14	0.4%	39.83	NA	NA	0.09%
NBTel	(1.3)	54.14	0.54	1.0%	54.68	NA	NA	0.27%
Bell	(113.4)	51.57	1.88	3.6%	53.45	18.81	75.8%	1.02%
Manitoba Tel	(2.0)	30.40	0.34	1.1%	30.74	NA	NA	0.23%
SaskTel	(1.7)	32.67	0.32	1.0%	33.00	NA	NA	0.18%
AGT	(4.5)	42.59	0.43	1.0%	43.03	NA	NA	0.21%
B.C. Tel	(43.7)	58.08	3.54	6.1%	61.61	35.35	66.3%	1.78%
Total or Mean	(167.6)	48.96	1.66	3.4%	50.62	16.61		0.88%
Unweighted Average		44.76	0.83	1.9%	45.59	8.33		0.44%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(0.2)	50.71	0.08	0.2%	50.79	NA	NA
Island Tel	(0.1)	42.98	0.07	0.2%	43.05	NA	NA
MT&T	(0.6)	39.69	0.08	0.2%	39.77	NA	NA
NBTel	(1.3)	54.14	0.23	0.4%	54.37	NA	NA
Bell	(113.4)	51.57	0.86	1.7%	52.43	8.64	84.0%
Manitoba Tel	(2.0)	30.40	0.18	0.6%	30.58	NA	NA
SaskTel	(1.7)	32.67	0.17	0.5%	32.85	NA	NA
AGT	(4.5)	42.59	0.24	0.6%	42.83	NA	NA
B.C. Tel	(43.7)	58.08	1.64	2.8%	59.72	16.37	78.2%
Total or Mean	(167.6)	48.96	0.77	1.6%	49.73	7.71	
Unweighted Average		44.76	0.39	0.9%	45.15	3.94	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 5.10 cts/min 15.9% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(0.2)	15.27	0.05	0.3%	15.32	NA	NA	NA
Island Tel	(0.1)	14.34	0.05	0.3%	14.39	NA	NA	NA
MT&T	(0.6)	15.33	0.06	0.4%	15.39	NA	NA	NA
NBTel	(1.3)	15.32	0.15	1.0%	15.48	NA	NA	NA
Bell	(113.4)	15.26	0.56	3.6%	15.81	5.56	74.0%	8.32
Manitoba Tel	(2.0)	10.37	0.12	1.1%	10.49	NA	NA	NA
SaskTel	(1.7)	11.62	0.11	1.0%	11.73	NA	NA	NA
AGT	(4.5)	15.33	0.15	1.0%	15.49	NA	NA	NA
B.C. Tel	(43.7)	16.86	1.03	6.1%	17.89	10.27	72.8%	13.82
Total or Mean	(167.6)	15.09	0.51	3.4%	15.60	5.10		9.14
Unweighted Average		14.41	0.25	1.8%	14.67	2.53		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(0.2)	15.27	0.08	0.6%	15.35	NA	NA
Island Tel	(0.1)	14.34	0.07	0.5%	14.41	NA	NA
MT&T	(0.6)	15.33	0.08	0.5%	15.41	NA	NA
NBTel	(1.3)	15.32	0.23	1.5%	15.55	NA	NA
Bell	(113.4)	15.26	0.86	5.7%	16.12	8.64	66.5%
Manitoba Tel	(2.0)	10.37	0.18	1.7%	10.55	NA	NA
SaskTel	(1.7)	11.62	0.17	1.5%	11.79	NA	NA
AGT	(4.5)	15.33	0.24	1.5%	15.57	NA	NA
B.C. Tel	(43.7)	16.86	1.64	9.7%	18.50	16.37	64.0%
Total or Mean	(167.6)	15.09	0.80	5.3%	15.88	7.97	
Unweighted Average		14.41	0.39	2.7%	14.81	3.94	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 5.75 cts/min 17.8% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	0.0	50.71	-0.03	-0.1%	50.68	NA	NA	-0.01%
Island Tel	0.0	42.98	-0.02	-0.1%	42.96	NA	NA	-0.02%
MT&T	0.1	39.69	-0.02	-0.1%	39.67	NA	NA	-0.02%
NBTel	(2.1)	54.14	0.85	1.6%	54.99	NA	NA	0.42%
Bell	(183.3)	51.57	3.04	5.9%	54.61	30.39	68.2%	1.68%
Manitoba Tel	(3.0)	30.40	0.50	1.6%	30.90	NA	NA	0.34%
SaskTel	(1.9)	32.67	0.36	1.1%	33.03	NA	NA	0.20%
AGT	(5.1)	42.59	0.49	1.2%	43.08	NA	NA	0.24%
B.C. Tel	(85.0)	58.08	6.88	11.8%	64.95	68.75	52.3%	3.52%
Total or Mean	(280.1)	48.96	2.79	5.7%	51.75	27.86		1.49%
Unweighted Average		44.76	1.34	3.0%	46.10	13.37		0.71%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	0.0	50.71	-0.01	0.0%	50.70	NA	NA
Island Tel	0.0	42.98	-0.01	0.0%	42.97	NA	NA
MT&T	0.1	39.69	-0.01	0.0%	39.68	NA	NA
NBTel	(2.1)	54.14	0.36	0.7%	54.50	NA	NA
Bell	(183.3)	51.57	1.40	2.7%	52.97	13.96	79.5%
Manitoba Tel	(3.0)	30.40	0.26	0.9%	30.66	NA	NA
SaskTel	(1.9)	32.67	0.19	0.6%	32.87	NA	NA
AGT	(5.1)	42.59	0.27	0.6%	42.87	NA	NA
B.C. Tel	(85.0)	58.08	3.18	5.5%	61.26	31.83	68.2%
Total or Mean	(280.1)	48.96	1.29	2.6%	50.25	12.90	
Unweighted Average		44.76	0.62	1.4%	45.38	6.24	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER		
Geographic Areas of Competition:	Bell-B.C.Tel Only		
Rate Structure:	REBALANCED RATES		
Contribution Charge:	5.75 cts/min	17.8% of Telco rate.	
Market Lost to Competition:	-20.0%		
Productivity Improvement:	0.0%	Competing rates discounted by	10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	0.0	15.27	-0.01	-0.1%	15.26	NA	NA	NA
Island Tel	0.0	14.34	-0.01	-0.1%	14.33	NA	NA	NA
MT&T	0.1	15.33	-0.01	-0.1%	15.32	NA	NA	NA
NBTel	(2.1)	15.32	0.24	1.6%	15.56	NA	NA	NA
Bell	(183.3)	15.26	0.90	5.9%	16.16	8.99	65.6%	8.36
Manitoba Tel	(3.0)	10.37	0.17	1.6%	10.54	NA	NA	NA
SaskTel	(1.9)	11.62	0.13	1.1%	11.74	NA	NA	NA
AGT	(5.1)	15.33	0.18	1.2%	15.51	NA	NA	NA
B.C. Tel	(85.0)	16.86	2.00	11.8%	18.86	19.96	59.1%	14.40
Total or Mean	(280.1)	15.09	0.85	5.7%	15.94	8.54		9.13
Unweighted Average		14.41	0.40	2.8%	14.81	3.98		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	0.0	15.27	-0.01	-0.1%	15.26	NA	NA
Island Tel	0.0	14.34	-0.01	-0.1%	14.33	NA	NA
MT&T	0.1	15.33	-0.01	-0.1%	15.32	NA	NA
NBTel	(2.1)	15.32	0.36	2.3%	15.68	NA	NA
Bell	(183.3)	15.26	1.40	9.2%	16.65	13.96	53.5%
Manitoba Tel	(3.0)	10.37	0.26	2.5%	10.63	NA	NA
SaskTel	(1.9)	11.62	0.19	1.7%	11.81	NA	NA
AGT	(5.1)	15.33	0.27	1.8%	15.61	NA	NA
B.C. Tel	(85.0)	16.86	3.18	18.9%	20.05	31.83	45.3%
Total or Mean	(280.1)	15.09	1.34	8.8%	16.42	13.35	
Unweighted Average		14.41	0.62	4.3%	15.04	6.24	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	3.05 cts/min	9.5% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(0.8)	50.71	0.52	1.0%	51.23	NA	NA	0.26%
Island Tel	(0.2)	42.98	0.45	1.0%	43.43	NA	NA	0.33%
MT&T	(1.9)	39.69	0.45	1.1%	40.14	NA	NA	0.29%
NBTel	(1.9)	54.14	0.79	1.5%	54.93	NA	NA	0.39%
Bell	(164.0)	51.57	2.72	5.3%	54.29	10.88	82.0%	1.47%
Manitoba Tel	(3.1)	30.40	0.52	1.7%	30.92	NA	NA	0.36%
SaskTel	(3.2)	32.67	0.60	1.8%	33.28	NA	NA	0.34%
AGT	(8.3)	42.59	0.80	1.9%	43.39	NA	NA	0.40%
B.C. Tel	(49.9)	58.08	4.03	6.9%	62.11	16.14	78.3%	2.03%
Total or Mean	(233.3)	48.96	2.30	4.7%	51.27	9.22		1.23%
Unweighted Average		44.76	1.21	2.7%	45.97	4.83		0.65%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(0.8)	50.71	0.26	0.5%	50.97	NA	NA
Island Tel	(0.2)	42.98	0.22	0.5%	43.20	NA	NA
MT&T	(1.9)	39.69	0.24	0.6%	39.93	NA	NA
NBTel	(1.9)	54.14	0.33	0.6%	54.47	NA	NA
Bell	(164.0)	51.57	1.25	2.4%	52.82	5.00	87.4%
Manitoba Tel	(3.1)	30.40	0.27	0.9%	30.67	NA	NA
SaskTel	(3.2)	32.67	0.32	1.0%	33.00	NA	NA
AGT	(8.3)	42.59	0.44	1.0%	43.03	NA	NA
B.C. Tel	(49.9)	58.08	1.87	3.2%	59.95	7.47	85.4%
Total or Mean	(233.3)	48.96	1.07	2.2%	50.04	4.29	
Unweighted Average		44.76	0.58	1.3%	45.34	2.31	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 3.05 cts/min 9.5% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(0.8)	15.27	0.16	1.0%	15.43	NA	NA	NA
Island Tel	(0.2)	14.34	0.15	1.0%	14.49	NA	NA	NA
MT&T	(1.9)	15.33	0.17	1.1%	15.50	NA	NA	NA
NBTel	(1.9)	15.32	0.22	1.5%	15.55	NA	NA	NA
Bell	(164.0)	15.26	0.80	5.3%	16.06	3.22	78.8%	7.19
Manitoba Tel	(3.1)	10.37	0.18	1.7%	10.55	NA	NA	NA
SaskTel	(3.2)	11.62	0.21	1.8%	11.83	NA	NA	NA
AGT	(8.3)	15.33	0.29	1.9%	15.62	NA	NA	NA
B.C. Tel	(49.9)	16.86	1.17	6.9%	18.04	4.69	80.3%	11.88
Total or Mean	(233.3)	15.09	0.71	4.7%	15.80	2.84		8.05
Unweighted Average		14.41	0.37	2.6%	14.79	1.49		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(0.8)	15.27	0.26	1.7%	15.53	NA	NA
Island Tel	(0.2)	14.34	0.22	1.5%	14.56	NA	NA
MT&T	(1.9)	15.33	0.24	1.5%	15.57	NA	NA
NBTel	(1.9)	15.32	0.33	2.2%	15.65	NA	NA
Bell	(164.0)	15.26	1.25	8.2%	16.51	5.00	75.3%
Manitoba Tel	(3.1)	10.37	0.27	2.6%	10.64	NA	NA
SaskTel	(3.2)	11.62	0.32	2.8%	11.94	NA	NA
AGT	(8.3)	15.33	0.44	2.9%	15.77	NA	NA
B.C. Tel	(49.9)	16.86	1.87	11.1%	18.73	7.47	76.7%
Total or Mean	(233.3)	15.09	1.11	7.3%	16.19	4.42	
Unweighted Average		14.41	0.58	4.0%	14.99	2.31	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 3.65 cts/min 11.3% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.0)	50.71	0.69	1.4%	51.40	NA	NA	0.34%
Island Tel	(0.3)	42.98	0.59	1.4%	43.58	NA	NA	0.44%
MT&T	(2.5)	39.69	0.59	1.5%	40.28	NA	NA	0.38%
NBTel	(3.3)	54.14	1.35	2.5%	55.49	NA	NA	0.67%
Bell	(283.4)	51.57	4.70	9.1%	56.27	18.80	75.8%	2.59%
Manitoba Tel	(5.1)	30.40	0.86	2.8%	31.26	NA	NA	0.59%
SaskTel	(5.0)	32.67	0.92	2.8%	33.60	NA	NA	0.52%
AGT	(12.8)	42.59	1.23	2.9%	43.82	NA	NA	0.61%
B.C. Tel	(96.2)	58.08	7.78	13.4%	65.86	31.14	68.6%	3.98%
Total or Mean	(409.7)	48.96	4.05	8.3%	53.02	16.21		2.18%
Unweighted Average		44.76	2.08	4.6%	46.84	8.32		1.13%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(1.0)	50.71	0.35	0.7%	51.06	NA	NA
Island Tel	(0.3)	42.98	0.29	0.7%	43.27	NA	NA
MT&T	(2.5)	39.69	0.31	0.8%	40.00	NA	NA
NBTel	(3.3)	54.14	0.57	1.0%	54.71	NA	NA
Bell	(283.4)	51.57	2.16	4.2%	53.73	8.64	84.0%
Manitoba Tel	(5.1)	30.40	0.45	1.5%	30.85	NA	NA
SaskTel	(5.0)	32.67	0.50	1.5%	33.17	NA	NA
AGT	(12.8)	42.59	0.68	1.6%	43.27	NA	NA
B.C. Tel	(96.2)	58.08	3.60	6.2%	61.68	14.41	79.6%
Total or Mean	(409.7)	48.96	1.88	3.8%	50.85	7.54	
Unweighted Average		44.76	0.99	2.2%	45.75	3.96	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 3.65 cts/min 11.3% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(1.0)	15.27	0.21	1.4%	15.48	NA	NA	NA
Island Tel	(0.3)	14.34	0.20	1.4%	14.54	NA	NA	NA
MT&T	(2.5)	15.33	0.23	1.5%	15.56	NA	NA	NA
NBTel	(3.3)	15.32	0.38	2.5%	15.71	NA	NA	NA
Bell	(283.4)	15.26	1.39	9.1%	16.65	5.56	74.0%	7.23
Manitoba Tel	(5.1)	10.37	0.29	2.8%	10.67	NA	NA	NA
SaskTel	(5.0)	11.62	0.33	2.8%	11.95	NA	NA	NA
AGT	(12.8)	15.33	0.44	2.9%	15.78	NA	NA	NA
B.C. Tel	(96.2)	16.86	2.26	13.4%	19.13	9.04	74.5%	12.34
Total or Mean	(409.7)	15.09	1.25	8.3%	16.34	4.99		8.04
Unweighted Average		14.41	0.64	4.4%	15.05	2.55		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(1.0)	15.27	0.35	2.3%	15.62	NA	NA
Island Tel	(0.3)	14.34	0.29	2.0%	14.63	NA	NA
MT&T	(2.5)	15.33	0.31	2.0%	15.64	NA	NA
NBTel	(3.3)	15.32	0.57	3.7%	15.89	NA	NA
Bell	(283.4)	15.26	2.16	14.2%	17.42	8.64	66.5%
Manitoba Tel	(5.1)	10.37	0.45	4.4%	10.82	NA	NA
SaskTel	(5.0)	11.62	0.50	4.3%	12.11	NA	NA
AGT	(12.8)	15.33	0.68	4.4%	16.01	NA	NA
B.C. Tel	(96.2)	16.86	3.60	21.4%	20.47	14.41	66.8%
Total or Mean	(409.7)	15.09	1.94	12.9%	17.03	7.78	
Unweighted Average		14.41	0.99	6.9%	15.40	3.96	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 48.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.9)	50.71	1.24	2.5%	51.95	NA	NA	0.62%
Island Tel	(0.6)	42.98	1.08	2.5%	44.06	NA	NA	0.80%
MT&T	(4.6)	39.69	1.07	2.7%	40.76	NA	NA	0.69%
NBTel	(3.2)	54.14	1.30	2.4%	55.44	NA	NA	0.64%
Bell	(268.2)	51.57	4.45	8.6%	56.02	9.26	83.4%	2.41%
Manitoba Tel	(5.3)	30.40	0.89	2.9%	31.29	NA	NA	0.61%
SaskTel	(6.4)	32.67	1.18	3.6%	33.86	NA	NA	0.67%
AGT	(16.2)	42.59	1.55	3.6%	44.15	NA	NA	0.77%
B.C. Tel	(62.6)	58.08	5.06	8.7%	63.14	10.55	82.7%	2.54%
Total or Mean	(368.8)	48.96	3.63	7.4%	52.59	7.56		1.94%
Unweighted Average		44.76	1.98	4.4%	46.74	4.13		1.08%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(1.9)	50.71	0.63	1.3%	51.34	NA	NA
Island Tel	(0.6)	42.98	0.52	1.2%	43.50	NA	NA
MT&T	(4.6)	39.69	0.57	1.4%	40.26	NA	NA
NBTel	(3.2)	54.14	0.55	1.0%	54.69	NA	NA
Bell	(268.2)	51.57	2.04	4.0%	53.61	4.26	88.1%
Manitoba Tel	(5.3)	30.40	0.47	1.5%	30.87	NA	NA
SaskTel	(6.4)	32.67	0.64	1.9%	33.31	NA	NA
AGT	(16.2)	42.59	0.86	2.0%	43.45	NA	NA
B.C. Tel	(62.6)	58.08	2.34	4.0%	60.42	4.88	87.7%
Total or Mean	(368.8)	48.96	1.69	3.5%	50.66	3.53	
Unweighted Average		44.76	0.96	2.1%	45.72	1.99	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 48.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(1.9)	15.27	0.37	2.5%	15.64	NA	NA	NA
Island Tel	(0.6)	14.34	0.36	2.5%	14.70	NA	NA	NA
MT&T	(4.6)	15.33	0.41	2.7%	15.75	NA	NA	NA
NBTel	(3.2)	15.32	0.37	2.4%	15.69	NA	NA	NA
Bell	(268.2)	15.26	1.32	8.6%	16.57	2.74	79.6%	5.33
Manitoba Tel	(5.3)	10.37	0.30	2.9%	10.68	NA	NA	NA
SaskTel	(6.4)	11.62	0.42	3.6%	12.04	NA	NA	NA
AGT	(16.2)	15.33	0.56	3.6%	15.89	NA	NA	NA
B.C. Tel	(62.6)	16.86	1.47	8.7%	18.34	3.06	82.1%	8.74
Total or Mean	(368.8)	15.09	1.12	7.4%	16.21	2.34		6.23
Unweighted Average		14.41	0.62	4.3%	15.03	1.29		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(1.9)	15.27	0.63	4.2%	15.90	NA	NA
Island Tel	(0.6)	14.34	0.52	3.6%	14.86	NA	NA
MT&T	(4.6)	15.33	0.57	3.7%	15.90	NA	NA
NBTel	(3.2)	15.32	0.55	3.6%	15.87	NA	NA
Bell	(268.2)	15.26	2.04	13.4%	17.30	4.26	76.8%
Manitoba Tel	(5.3)	10.37	0.47	4.5%	10.84	NA	NA
SaskTel	(6.4)	11.62	0.64	5.5%	12.25	NA	NA
AGT	(16.2)	15.33	0.86	5.6%	16.19	NA	NA
B.C. Tel	(62.6)	16.86	2.34	13.9%	19.21	4.88	80.1%
Total or Mean	(368.8)	15.09	1.74	11.6%	16.83	3.63	
Unweighted Average		14.41	0.96	6.6%	15.37	1.99	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 51.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.7)	50.71	2.47	4.9%	53.18	NA	NA	1.23%
Island Tel	(1.2)	42.98	2.14	5.0%	45.12	NA	NA	1.59%
MT&T	(9.1)	39.69	2.13	5.4%	41.82	NA	NA	1.38%
NBTel	(6.5)	54.14	2.61	4.8%	56.76	NA	NA	1.30%
Bell	(533.9)	51.57	8.85	17.2%	60.42	17.19	77.0%	4.88%
Manitoba Tel	(10.5)	30.40	1.77	5.8%	32.17	NA	NA	1.21%
SaskTel	(12.6)	32.67	2.34	7.2%	35.01	NA	NA	1.32%
AGT	(32.1)	42.59	3.08	7.2%	45.68	NA	NA	1.53%
B.C. Tel	(124.3)	58.08	10.06	17.3%	68.14	19.54	75.9%	5.15%
Total or Mean	(733.8)	48.96	7.22	14.8%	56.19	14.02		3.91%
Unweighted Average		44.76	3.94	8.8%	48.70	7.65		2.18%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(3.7)	50.71	1.26	2.5%	51.97	NA	NA
Island Tel	(1.2)	42.98	1.03	2.4%	44.02	NA	NA
MT&T	(9.1)	39.69	1.12	2.8%	40.82	NA	NA
NBTel	(6.5)	54.14	1.10	2.0%	55.24	NA	NA
Bell	(533.9)	51.57	4.07	7.9%	55.64	7.90	84.6%
Manitoba Tel	(10.5)	30.40	0.93	3.1%	31.33	NA	NA
SaskTel	(12.6)	32.67	1.26	3.9%	33.93	NA	NA
AGT	(32.1)	42.59	1.70	4.0%	44.30	NA	NA
B.C. Tel	(124.3)	58.08	4.66	8.0%	62.74	9.04	84.0%
Total or Mean	(733.8)	48.96	3.37	6.9%	52.33	6.55	
Unweighted Average		44.76	1.90	4.3%	46.66	3.70	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 51.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.7)	15.27	0.74	4.9%	16.01	NA	NA	NA
Island Tel	(1.2)	14.34	0.71	5.0%	15.06	NA	NA	NA
MT&T	(9.1)	15.33	0.82	5.4%	16.15	NA	NA	NA
NBTel	(6.5)	15.32	0.74	4.8%	16.06	NA	NA	NA
Bell	(533.9)	15.26	2.62	17.2%	17.88	5.09	75.1%	5.09
Manitoba Tel	(10.5)	10.37	0.60	5.8%	10.98	NA	NA	NA
SaskTel	(12.6)	11.62	0.83	7.2%	12.45	NA	NA	NA
AGT	(32.1)	15.33	1.11	7.2%	16.44	NA	NA	NA
B.C. Tel	(124.3)	16.86	2.92	17.3%	19.79	5.67	79.1%	8.47
Total or Mean	(733.8)	15.09	2.23	14.8%	17.32	4.33		5.93
Unweighted Average		14.41	1.23	8.6%	15.65	2.40		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(3.7)	15.27	1.26	8.3%	16.53	NA	NA
Island Tel	(1.2)	14.34	1.03	7.2%	15.38	NA	NA
MT&T	(9.1)	15.33	1.12	7.3%	16.46	NA	NA
NBTel	(6.5)	15.32	1.10	7.2%	16.42	NA	NA
Bell	(533.9)	15.26	4.07	26.7%	19.33	7.90	68.4%
Manitoba Tel	(10.5)	10.37	0.93	9.0%	11.30	NA	NA
SaskTel	(12.6)	11.62	1.26	10.8%	12.88	NA	NA
AGT	(32.1)	15.33	1.70	11.1%	17.04	NA	NA
B.C. Tel	(124.3)	16.86	4.66	27.6%	21.52	9.04	74.5%
Total or Mean	(733.8)	15.09	3.47	23.0%	18.56	6.74	
Unweighted Average		14.41	1.90	13.2%	16.32	3.70	

REBALANCED RATES

Telecom Canada Members

R(T)

2. REBALANCED RATES

Telecom Canada Members

R(T)

SEQUENCE OF TABLES

0% rate discount by Competitor
    10% market loss by Telecos
    20% market loss by Telecos

10% rate discount by Competitor
    10% market loss by Telecos
    20% market loss by Telecos

25% rate discount by Competitor
    10% market loss by Telecos
    20% market loss by Telecos

Maximum rate discount by Competitor
(no contribution payment)
    10% market loss by Telecos
    20% market loss by Telecos

For explanation of Tables, see Pages III-1 to III-7 of the Final Report

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	0.0	59.44	0.00	0.0%	59.44	NA		0.00%
Island Tel	0.0	46.10	0.00	0.0%	46.10	NA	NA	0.00%
MT&T	(0.0)	44.58	0.00	0.0%	44.58	NA	NA	0.00%
NBTel	0.0	59.85	0.00	0.0%	59.85	NA	NA	0.00%
Bell	(0.0)	51.91	0.00	0.0%	51.91	NA	NA	0.00%
Manitoba Tel	0.0	34.34	0.00	0.0%	34.34	NA		0.00%
SaskTel	0.0	39.61	0.00	0.0%	39.61	NA		0.00%
AGT	(0.0)	51.28	0.00	0.0%	51.28	NA	NA	0.00%
B.C. Tel	(0.0)	58.65	0.00	0.0%	58.65	NA	NA	0.00%
Total or Mean	(0.0)	51.11	0.00	0.0%	51.11	NA		0.00%
Unweighted Average		49.53	0.00	0.0%	49.53	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	0.0	59.44	0.00	0.0%	59.44	NA	
Island Tel	0.0	46.10	0.00	0.0%	46.10	NA	NA
MT&T	(0.0)	44.58	0.00	0.0%	44.58	NA	NA
NBTel	0.0	59.85	0.00	0.0%	59.85	NA	NA
Bell	(0.0)	51.91	0.00	0.0%	51.91	NA	NA
Manitoba Tel	0.0	34.34	0.00	0.0%	34.34	NA	
SaskTel	0.0	39.61	0.00	0.0%	39.61	NA	
AGT	(0.0)	51.28	0.00	0.0%	51.28	NA	NA
B.C. Tel	(0.0)	58.65	0.00	0.0%	58.65	NA	NA
Total or Mean	(0.0)	51.11	0.00	0.0%	51.11	NA	
Unweighted Average		49.53	0.00	0.0%	49.53	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Productivity Improvement: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	0.0	17.90	0.00	0.0%	17.90	NA		NA
Island Tel	0.0	15.38	0.00	0.0%	15.38	NA	NA	NA
MT&T	(0.0)	17.22	0.00	0.0%	17.22	NA	NA	NA
NBTel	0.0	16.94	0.00	0.0%	16.94	NA	NA	NA
Bell	(0.0)	15.36	0.00	0.0%	15.36	NA	NA	NA
Manitoba Tel	0.0	11.72	0.00	0.0%	11.72	NA		NA
SaskTel	0.0	14.08	0.00	0.0%	14.08	NA		NA
AGT	(0.0)	18.46	0.00	0.0%	18.46	NA	NA	NA
B.C. Tel	(0.0)	17.03	0.00	0.0%	17.03	NA	NA	NA
Total or Mean	(0.0)	15.72	0.00	0.0%	15.72	NA		NA
Unweighted Average		16.01	0.00	0.0%	16.01	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	0.0	17.90	0.00	0.0%	17.90	NA	
Island Tel	0.0	15.38	0.00	0.0%	15.38	NA	NA
MT&T	(0.0)	17.22	0.00	0.0%	17.22	NA	NA
NBTel	0.0	16.94	0.00	0.0%	16.94	NA	NA
Bell	(0.0)	15.36	0.00	0.0%	15.36	NA	NA
Manitoba Tel	0.0	11.72	0.00	0.0%	11.72	NA	
SaskTel	0.0	14.08	0.00	0.0%	14.08	NA	
AGT	(0.0)	18.46	0.00	0.0%	18.46	NA	NA
B.C. Tel	(0.0)	17.03	0.00	0.0%	17.03	NA	NA
Total or Mean	(0.0)	15.72	0.00	0.0%	15.72	NA	
Unweighted Average		16.01	0.00	0.0%	16.01	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 6.15 cts/min 19.6% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.1)	59.44	2.11	3.6%	61.56	NA		1.07%
Island Tel	(0.7)	46.10	1.24	2.7%	47.33	NA	NA	0.93%
MT&T	(7.6)	44.58	1.77	4.0%	46.36	NA	NA	1.16%
NBTel	(6.4)	59.85	2.60	4.4%	62.45	NA	NA	1.30%
Bell	(113.2)	51.91	1.88	3.6%	53.78	NA	NA	1.02%
Manitoba Tel	(1.0)	34.34	0.17	0.5%	34.51	NA		0.12%
SaskTel	(10.5)	39.61	1.95	4.9%	41.55	NA		1.11%
AGT	(27.9)	51.28	2.68	5.2%	53.96	NA	NA	1.34%
B.C. Tel	(29.2)	58.65	2.36	4.0%	61.02	NA	NA	1.19%
Total or Mean	(199.7)	51.11	1.94	3.8%	53.05	NA		1.05%
Unweighted Average		49.53	1.86	3.8%	51.39	NA		1.03%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(3.1)	59.44	1.08	1.8%	60.52	NA	
Island Tel	(0.7)	46.10	0.60	1.3%	46.70	NA	NA
MT&T	(7.6)	44.58	0.94	2.1%	45.52	NA	NA
NBTel	(6.4)	59.85	1.09	1.8%	60.94	NA	NA
Bell	(113.2)	51.91	0.86	1.7%	52.77	NA	NA
Manitoba Tel	(1.0)	34.34	0.09	0.3%	34.43	NA	
SaskTel	(10.5)	39.61	1.05	2.7%	40.65	NA	
AGT	(27.9)	51.28	1.48	2.9%	52.76	NA	NA
B.C. Tel	(29.2)	58.65	1.09	1.9%	59.75	NA	NA
Total or Mean	(199.7)	51.11	0.93	1.8%	52.04	NA	
Unweighted Average		49.53	0.92	1.9%	50.45	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
Geographic Areas of Competition:	Telecom Canada Members	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	6.15 cts/min	19.6% of Telco rate.
Market Lost to Competition:	-10.0%	
Productivity Improvement:	0.0%	Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.1)	17.90	0.64	3.6%	18.54	NA		10.73
Island Tel	(0.7)	15.38	0.41	2.7%	15.79	NA	NA	8.74
MT&T	(7.6)	17.22	0.68	4.0%	17.91	NA	NA	10.10
NBTel	(6.4)	16.94	0.74	4.4%	17.67	NA	NA	9.41
Bell	(113.2)	15.36	0.56	3.6%	15.91	NA	NA	9.29
Manitoba Tel	(1.0)	11.72	0.06	0.5%	11.77	NA		6.46
SaskTel	(10.5)	14.08	0.69	4.9%	14.78	NA		9.46
AGT	(27.9)	18.46	0.97	5.2%	19.43	NA	NA	11.91
B.C. Tel	(29.2)	17.03	0.69	4.0%	17.72	NA	NA	9.93
Total or Mean	(199.7)	15.72	0.60	3.8%	16.31	NA		9.49
Unweighted Average		16.01	0.60	3.8%	16.61	NA		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

Nfld Tel	(3.1)	17.90	1.08	6.0%	18.98	NA	
Island Tel	(0.7)	15.38	0.60	3.9%	15.98	NA	NA
MT&T	(7.6)	17.22	0.94	5.4%	18.16	NA	NA
NBTel	(6.4)	16.94	1.09	6.5%	18.03	NA	NA
Bell	(113.2)	15.36	0.86	5.6%	16.22	NA	NA
Manitoba Tel	(1.0)	11.72	0.09	0.8%	11.81	NA	
SaskTel	(10.5)	14.08	1.05	7.5%	15.13	NA	
AGT	(27.9)	18.46	1.48	8.0%	19.94	NA	NA
B.C. Tel	(29.2)	17.03	1.09	6.4%	18.13	NA	NA
Total or Mean	(199.7)	15.72	0.92	5.9%	16.64	NA	
Unweighted Average		16.01	0.92	5.7%	16.93	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 6.90 cts/min 22.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(4.8)	59.44	3.22	5.4%	62.67	NA		1.68%
Island Tel	(0.9)	46.10	1.74	3.8%	47.84	NA	NA	1.34%
MT&T	(11.8)	44.58	2.77	6.2%	47.35	NA	NA	1.85%
NBTel	(10.3)	59.85	4.16	6.9%	64.00	NA	NA	2.13%
Bell	(162.2)	51.91	2.69	5.2%	54.60	NA	NA	1.43%
Manitoba Tel	2.2	34.34	-0.37	-1.1%	33.97	NA		-0.26%
SaskTel	(16.3)	39.61	3.03	7.7%	42.64	NA		1.77%
AGT	(45.5)	51.28	4.37	8.5%	55.65	NA	NA	2.25%
B.C. Tel	(43.6)	58.65	3.53	6.0%	62.18	NA	NA	1.83%
Total or Mean	(293.3)	51.11	2.85	5.6%	53.96	NA		1.58%
Unweighted Average		49.53	2.79	5.5%	52.32	NA		1.56%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(4.8)	59.44	1.64	2.8%	61.09	NA	
Island Tel	(0.9)	46.10	0.84	1.6%	46.94	NA	NA
MT&T	(11.8)	44.58	1.46	3.3%	46.04	NA	NA
NBTel	(10.3)	59.85	1.75	2.9%	61.59	NA	NA
Bell	(162.2)	51.91	1.24	2.4%	53.14	NA	NA
Manitoba Tel	2.2	34.34	-0.19	-0.6%	34.15	NA	
SaskTel	(16.3)	39.61	1.63	4.1%	41.24	NA	
AGT	(45.5)	51.28	2.41	4.7%	53.69	NA	NA
B.C. Tel	(43.6)	58.65	1.63	2.8%	60.29	NA	NA
Total or Mean	(293.3)	51.11	1.37	2.7%	52.48	NA	
Unweighted Average		49.53	1.38	2.8%	50.91	NA	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	6.90 cts/min	22.0% of Telco rate
	Market Lost to Competition:	-20.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(4.8)	17.90	0.97	5.4%	18.87	NA		10.39
Island Tel	(0.9)	15.38	0.58	3.8%	15.96	NA	NA	8.72
MT&T	(11.8)	17.22	1.07	6.2%	18.29	NA	NA	9.98
NBTel	(10.3)	16.94	1.18	6.9%	18.11	NA	NA	9.50
Bell	(162.2)	15.36	0.80	5.2%	16.15	NA	NA	9.15
Manitoba Tel	2.2	11.72	-0.12	-1.1%	11.59	NA		6.57
SaskTel	(16.3)	14.08	1.08	7.7%	15.16	NA		9.47
AGT	(45.5)	18.46	1.57	8.5%	20.04	NA	NA	11.59
B.C. Tel	(43.6)	17.03	1.02	6.0%	18.06	NA	NA	9.72
Total or Mean	(293.3)	15.72	0.87	5.6%	16.59	NA		9.35
Unweighted Average		16.01	0.90	5.7%	16.91	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(4.8)	17.90	1.64	9.2%	19.54	NA	
Island Tel	(0.9)	15.38	0.84	5.5%	16.22	NA	NA
MT&T	(11.8)	17.22	1.46	8.5%	18.68	NA	NA
NBTel	(10.3)	16.94	1.75	10.3%	18.69	NA	NA
Bell	(162.2)	15.36	1.24	8.0%	16.59	NA	NA
Manitoba Tel	2.2	11.72	-0.19	-1.6%	11.52	NA	
SaskTel	(16.3)	14.08	1.63	11.6%	15.71	NA	
AGT	(45.5)	18.46	2.41	13.1%	20.87	NA	NA
B.C. Tel	(43.6)	17.03	1.63	9.6%	18.67	NA	NA
Total or Mean	(293.3)	15.72	1.35	8.6%	17.07	NA	
Unweighted Average		16.01	1.38	8.6%	17.39	NA	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	4.80 cts/min	15.3% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(4.1)	59.44	2.72	4.6%	62.17	27.21		1.38%
Island Tel	(0.9)	46.10	1.68	3.7%	47.78	16.83	61.7%	1.26%
MT&T	(9.6)	44.58	2.26	5.1%	46.84	22.57	58.5%	1.47%
NBTel	(8.0)	59.85	3.25	5.4%	63.09	32.48	57.4%	1.62%
Bell	(151.1)	51.91	2.51	4.8%	54.41	25.06	71.5%	1.36%
Manitoba Tel	(3.7)	34.34	0.62	1.8%	34.96	6.22		0.43%
SaskTel	(13.4)	39.61	2.50	6.3%	42.10	24.97		1.42%
AGT	(34.3)	51.28	3.29	6.4%	54.57	32.91	58.2%	1.64%
B.C. Tel	(38.3)	58.65	3.10	5.3%	61.76	31.01	68.7%	1.57%
Total or Mean	(263.5)	51.11	2.56	5.0%	53.67	25.60		1.39%
Unweighted Average		49.53	2.44	4.9%	51.96	24.36		1.35%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(4.1)	59.44	1.39	2.3%	60.83	13.87	
Island Tel	(0.9)	46.10	0.81	1.8%	46.91	8.13	69.3%
MT&T	(9.6)	44.58	1.19	2.7%	45.77	11.91	65.9%
NBTel	(8.0)	59.85	1.37	2.3%	61.21	13.65	74.2%
Bell	(151.1)	51.91	1.15	2.2%	53.06	11.51	81.5%
Manitoba Tel	(3.7)	34.34	0.33	1.0%	34.66	3.27	
SaskTel	(13.4)	39.61	1.34	3.4%	40.95	13.44	
AGT	(34.3)	51.28	1.82	3.5%	53.09	18.16	70.5%
B.C. Tel	(38.3)	58.65	1.44	2.4%	60.09	14.36	79.7%
Total or Mean	(263.5)	51.11	1.23	2.4%	52.34	12.25	
Unweighted Average		49.53	1.20	2.4%	50.73	12.03	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
Geographic Areas of Competition:	Telecom Canada Members	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	4.80 cts/min	15.3% of Telco rate.
Market Lost to Competition:	-10.0%	
Productivity Improvement:	0.0%	Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(4.1)	17.90	0.82	4.6%	18.72	8.19		10.31
Island Tel	(0.9)	15.38	0.56	3.7%	15.94	5.62	74.5%	8.09
MT&T	(9.6)	17.22	0.87	5.1%	18.09	8.72	72.0%	9.50
NBTel	(8.0)	16.94	0.92	5.4%	17.86	9.19	67.3%	8.60
Bell	(151.1)	15.36	0.74	4.8%	16.10	7.41	69.6%	8.72
Manitoba Tel	(3.7)	11.72	0.21	1.8%	11.93	2.12		5.85
SaskTel	(13.4)	14.08	0.89	6.3%	14.97	8.88		8.76
AGT	(34.3)	18.46	1.18	6.4%	19.65	11.85	69.4%	11.39
B.C. Tel	(38.3)	17.03	0.90	5.3%	17.93	9.01	74.6%	9.43
Total or Mean	(263.5)	15.72	0.79	5.0%	16.51	7.86		8.51
Unweighted Average		16.01	0.79	4.9%	16.80	7.89		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(4.1)	17.90	1.39	7.7%	19.29	13.87	
Island Tel	(0.9)	15.38	0.81	5.3%	16.19	8.13	70.2%
MT&T	(9.6)	17.22	1.19	6.9%	18.41	11.91	66.1%
NBTel	(8.0)	16.94	1.37	8.1%	18.30	13.65	56.2%
Bell	(151.1)	15.36	1.15	7.5%	16.51	11.51	59.3%
Manitoba Tel	(3.7)	11.72	0.33	2.8%	12.04	3.27	
SaskTel	(13.4)	14.08	1.34	9.5%	15.43	13.44	
AGT	(34.3)	18.46	1.82	9.8%	20.28	18.16	61.6%
B.C. Tel	(38.3)	17.03	1.44	8.4%	18.47	14.36	66.8%
Total or Mean	(263.5)	15.72	1.22	7.7%	16.94	12.15	
Unweighted Average		16.01	1.20	7.5%	17.21	12.03	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
Geographic Areas of Competition:	Telecom Canada Members	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	5.50 cts/min	17.5% of Telco rate.
Market Lost to Competition:	-20.0%	
Productivity Improvement:	0.0%	Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(6.6)	59.44	4.44	7.5%	63.89	44.42		2.32%
Island Tel	(1.4)	46.10	2.63	5.7%	48.73	26.31	55.4%	2.03%
MT&T	(16.0)	44.58	3.73	8.4%	48.32	37.34	50.9%	2.50%
NBTel	(13.5)	59.85	5.45	9.1%	65.29	54.49	45.4%	2.79%
Bell	(238.5)	51.91	3.96	7.6%	55.86	39.55	63.1%	2.19%
Manitoba Tel	(3.1)	34.34	0.53	1.5%	34.87	5.31		0.38%
SaskTel	(22.2)	39.61	4.13	10.4%	43.73	41.27		2.41%
AGT	(58.2)	51.28	5.59	10.9%	56.86	55.86	45.3%	2.87%
B.C. Tel	(61.8)	58.65	5.00	8.5%	63.66	50.04	59.3%	2.59%
Total or Mean	(421.3)	51.11	4.09	8.0%	55.20	40.93		2.27%
Unweighted Average		49.53	3.94	8.0%	53.47	39.40		2.23%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(6.6)	59.44	2.26	3.8%	61.71	22.64	
Island Tel	(1.4)	46.10	1.27	2.8%	47.37	12.71	65.0%
MT&T	(16.0)	44.58	1.97	4.4%	46.55	19.70	60.3%
NBTel	(13.5)	59.85	2.29	3.8%	62.14	22.91	64.9%
Bell	(238.5)	51.91	1.82	3.5%	53.72	18.17	76.2%
Manitoba Tel	(3.1)	34.34	0.28	0.8%	34.62	2.79	
SaskTel	(22.2)	39.61	2.22	5.6%	41.83	22.22	
AGT	(58.2)	51.28	3.08	6.0%	54.36	30.83	59.7%
B.C. Tel	(61.8)	58.65	2.32	3.9%	60.97	23.17	73.5%
Total or Mean	(421.3)	51.11	1.96	3.8%	53.07	19.61	
Unweighted Average		49.53	1.95	3.9%	51.47	19.46	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 5.50 cts/min 17.5% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(6.6)	17.90	1.34	7.5%	19.24	13.38		10.00
Island Tel	(1.4)	15.38	0.88	5.7%	16.25	8.78	69.1%	8.07
MT&T	(16.0)	17.22	1.44	8.4%	18.66	14.42	61.4%	9.39
NBTel	(13.5)	16.94	1.54	9.1%	18.48	15.42	52.4%	8.69
Bell	(238.5)	15.36	1.17	7.6%	16.53	11.70	58.9%	8.59
Manitoba Tel	(3.1)	11.72	0.18	1.5%	11.90	1.81		5.95
SaskTel	(22.2)	14.08	1.47	10.4%	15.55	14.67		8.77
AGT	(58.2)	18.46	2.01	10.9%	20.47	20.11	59.5%	11.10
B.C. Tel	(61.8)	17.03	1.45	8.5%	18.48	14.53	66.6%	9.24
Total or Mean	(421.3)	15.72	1.26	8.0%	16.98	12.56		8.79
Unweighted Average		16.01	1.28	8.0%	17.29	12.76		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(6.6)	17.90	2.26	12.6%	20.16	22.64	
Island Tel	(1.4)	15.38	1.27	8.3%	16.65	12.71	62.9%
MT&T	(16.0)	17.22	1.97	11.4%	19.19	19.70	52.4%
NBTel	(13.5)	16.94	2.29	13.5%	19.23	22.91	39.3%
Bell	(238.5)	15.36	1.82	11.8%	17.17	18.17	44.7%
Manitoba Tel	(3.1)	11.72	0.28	2.4%	11.99	2.79	
SaskTel	(22.2)	14.08	2.22	15.8%	16.30	22.22	
AGT	(58.2)	18.46	3.08	16.7%	21.54	30.83	49.4%
B.C. Tel	(61.8)	17.03	2.32	13.6%	19.35	23.17	55.0%
Total or Mean	(421.3)	15.72	1.94	12.4%	17.66	19.42	
Unweighted Average		16.01	1.95	12.2%	17.96	19.46	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	2.80 cts/min	8.9% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(5.6)	59.44	3.79	6.4%	63.23	15.15		1.92%
Island Tel	(1.3)	46.10	2.46	5.3%	48.56	9.84	67.6%	1.85%
MT&T	(13.3)	44.58	3.10	7.0%	47.68	12.41	65.5%	2.03%
NBTel	(10.8)	59.85	4.38	7.3%	64.22	17.50	70.0%	2.19%
Bell	(217.4)	51.91	3.60	6.9%	55.51	14.42	79.1%	1.96%
Manitoba Tel	(8.3)	34.34	1.41	4.1%	35.74	5.62		0.97%
SaskTel	(18.6)	39.61	3.45	8.7%	43.06	13.82		1.96%
AGT	(45.3)	51.28	4.35	8.5%	55.63	17.41	71.2%	2.17%
B.C. Tel	(54.2)	58.65	4.39	7.5%	63.04	17.56	77.3%	2.22%
Total or Mean	(374.9)	51.11	3.65	7.1%	54.76	14.58		1.98%
Unweighted Average		49.53	3.44	6.9%	52.96	13.75		1.92%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(5.6)	59.44	1.93	3.2%	61.38	7.72	
Island Tel	(1.3)	46.10	1.19	2.6%	47.29	4.76	73.1%
MT&T	(13.3)	44.58	1.64	3.7%	46.22	6.55	70.7%
NBTel	(10.8)	59.85	1.84	3.1%	61.69	7.36	82.3%
Bell	(217.4)	51.91	1.66	3.2%	53.56	6.62	85.8%
Manitoba Tel	(8.3)	34.34	0.74	2.1%	35.08	2.95	
SaskTel	(18.6)	39.61	1.86	4.7%	41.46	7.44	
AGT	(45.3)	51.28	2.40	4.7%	53.68	9.61	79.6%
B.C. Tel	(54.2)	58.65	2.03	3.5%	60.69	8.13	84.8%
Total or Mean	(374.9)	51.11	1.74	3.4%	52.85	6.97	
Unweighted Average		49.53	1.70	3.4%	51.23	6.79	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER		
Geographic Areas of Competition:	Telecom Canada Members		
Rate Structure:	REBALANCED RATES		
Contribution Charge:	2.80 cts/min	8.9% of Telco rate.	
Market Lost to Competition:	-10.0%		
Productivity Improvement:	0.0%	Competing rates discounted by	25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(5.6)	17.90	1.14	6.4%	19.04	4.56		9.61
Island Tel	(1.3)	15.38	0.82	5.3%	16.20	3.28	78.7%	7.08
MT&T	(13.3)	17.22	1.20	7.0%	18.42	4.79	78.8%	8.54
NBTel	(10.8)	16.94	1.24	7.3%	18.18	4.95	78.8%	7.34
Bell	(217.4)	15.36	1.07	6.9%	16.42	4.27	76.8%	7.81
Manitoba Tel	(8.3)	11.72	0.48	4.1%	12.19	1.92		4.91
SaskTel	(18.6)	14.08	1.23	8.7%	15.31	4.91		7.66
AGT	(45.3)	18.46	1.57	8.5%	20.03	6.27	77.2%	10.54
B.C. Tel	(54.2)	17.03	1.27	7.5%	18.31	5.10	79.8%	9.62
Total or Mean	(374.9)	15.72	1.12	7.1%	16.84	4.48		7.59
Unweighted Average		16.01	1.11	6.9%	17.12	4.45		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(5.6)	17.90	1.93	10.8%	19.83	7.72	
Island Tel	(1.3)	15.38	1.19	7.7%	16.57	4.76	76.1%
MT&T	(13.3)	17.22	1.64	9.5%	18.86	6.55	75.9%
NBTel	(10.8)	16.94	1.84	10.9%	18.78	7.36	72.2%
Bell	(217.4)	15.36	1.66	10.8%	17.01	6.62	71.5%
Manitoba Tel	(8.3)	11.72	0.74	6.3%	12.45	2.95	
SaskTel	(18.6)	14.08	1.86	13.2%	15.94	7.44	
AGT	(45.3)	18.46	2.40	13.0%	20.86	9.61	72.5%
B.C. Tel	(54.2)	17.03	2.03	11.9%	19.06	8.13	75.8%
Total or Mean	(374.9)	15.72	1.73	11.0%	17.45	6.92	
Unweighted Average		16.01	1.70	10.6%	17.71	6.79	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 3.45 cts/min 11.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(9.7)	59.44	6.53	11.0%	65.98	26.13		3.41%
Island Tel	(2.2)	46.10	4.16	9.0%	50.25	16.63	61.9%	3.20%
MT&T	(23.1)	44.58	5.39	12.1%	49.97	21.57	59.1%	3.62%
NBTel	(19.0)	59.85	7.66	12.8%	67.51	30.64	58.7%	3.92%
Bell	(369.2)	51.91	6.12	11.8%	58.03	24.49	71.8%	3.39%
Manitoba Tel	(12.3)	34.34	2.07	6.0%	36.41	8.27		1.47%
SaskTel	(32.2)	39.61	6.00	15.2%	45.61	24.01		3.50%
AGT	(79.8)	51.28	7.67	15.0%	58.94	30.57	59.9%	3.94%
B.C. Tel	(93.1)	58.65	7.53	12.8%	66.18	30.12	69.2%	3.90%
Total or Mean	(640.6)	51.11	6.23	12.2%	57.34	24.91		3.46%
Unweighted Average		49.53	5.90	11.9%	55.43	23.61		3.37%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(9.7)	59.44	3.33	5.6%	62.77	13.32	
Island Tel	(2.2)	46.10	2.01	4.4%	48.11	8.03	69.4%
MT&T	(23.1)	44.58	2.85	6.4%	47.43	11.38	66.3%
NBTel	(19.0)	59.85	3.22	5.4%	63.07	12.88	75.1%
Bell	(369.2)	51.91	2.81	5.4%	54.72	11.25	81.7%
Manitoba Tel	(12.3)	34.34	1.09	3.2%	35.42	4.34	
SaskTel	(32.2)	39.61	3.23	8.2%	42.84	12.93	
AGT	(79.8)	51.28	4.23	8.3%	55.51	16.92	71.7%
B.C. Tel	(93.1)	58.65	3.49	5.9%	62.14	13.94	80.0%
Total or Mean	(640.6)	51.11	2.98	5.8%	54.09	11.92	
Unweighted Average		49.53	2.92	5.9%	52.44	11.67	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	3.45 cts/min	11.0% of Telco rate.
	Market Lost to Competition:	-20.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(9.7)	17.90	1.97	11.0%	19.87	7.87		9.32
Island Tel	(2.2)	15.38	1.39	9.0%	16.77	5.55	74.7%	7.06
MT&T	(23.1)	17.22	2.08	12.1%	19.30	8.33	72.7%	8.44
NBTel	(19.0)	16.94	2.17	12.8%	19.10	8.67	68.6%	7.43
Bell	(369.2)	15.36	1.81	11.8%	17.17	7.25	70.0%	7.70
Manitoba Tel	(12.3)	11.72	0.71	6.0%	12.42	2.82		5.00
SaskTel	(32.2)	14.08	2.13	15.2%	16.22	8.54		7.67
AGT	(79.8)	18.46	2.76	15.0%	21.22	11.04	70.5%	10.27
B.C. Tel	(93.1)	17.03	2.19	12.8%	19.22	8.75	74.9%	8.44
Total or Mean	(640.6)	15.72	1.91	12.2%	17.63	7.65		7.39
Unweighted Average		16.01	1.91	11.9%	17.92	7.65		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(9.7)	17.90	3.33	18.6%	21.23	13.32	
Island Tel	(2.2)	15.38	2.01	13.1%	17.39	8.03	70.3%
MT&T	(23.1)	17.22	2.85	16.5%	20.07	11.38	67.1%
NBTel	(19.0)	16.94	3.22	19.0%	20.16	12.88	58.0%
Bell	(369.2)	15.36	2.81	18.3%	18.17	11.25	60.0%
Manitoba Tel	(12.3)	11.72	1.09	9.3%	12.80	4.34	
SaskTel	(32.2)	14.08	3.23	23.0%	17.31	12.93	
AGT	(79.8)	18.46	4.23	22.9%	22.69	16.92	63.1%
B.C. Tel	(93.1)	17.03	3.49	20.5%	20.52	13.94	67.4%
Total or Mean	(640.6)	15.72	2.96	18.8%	18.68	11.83	
Unweighted Average		16.01	2.92	18.2%	18.93	11.67	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 46.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(8.7)	59.44	5.83	9.8%	65.27	12.66		2.96%
Island Tel	(2.1)	46.10	3.95	8.6%	50.05	8.59	68.9%	2.97%
MT&T	(20.2)	44.58	4.72	10.6%	49.30	10.26	67.3%	3.08%
NBTel	(16.2)	59.85	6.53	10.9%	66.38	14.20	73.6%	3.27%
Bell	(344.2)	51.91	5.71	11.0%	57.61	12.41	80.7%	3.10%
Manitoba Tel	(17.2)	34.34	2.90	8.5%	37.24	6.31		2.00%
SaskTel	(28.4)	39.61	5.29	13.3%	44.89	11.49		3.00%
AGT	(66.4)	51.28	6.38	12.4%	57.66	13.87	74.8%	3.18%
B.C. Tel	(84.7)	58.65	6.85	11.7%	65.51	14.90	79.3%	3.46%
Total or Mean	(588.1)	51.11	5.72	11.2%	56.83	12.44		3.10%
Unweighted Average		49.53	5.35	10.8%	54.88	11.63		3.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(8.7)	59.44	2.97	5.0%	62.41	6.46	
Island Tel	(2.1)	46.10	1.91	4.1%	48.01	4.15	73.8%
MT&T	(20.2)	44.58	2.49	5.6%	47.07	5.42	71.9%
NBTel	(16.2)	59.85	2.75	4.6%	62.59	5.97	84.3%
Bell	(344.2)	51.91	2.62	5.1%	54.53	5.70	86.7%
Manitoba Tel	(17.2)	34.34	1.53	4.4%	35.86	3.32	
SaskTel	(28.4)	39.61	2.85	7.2%	42.45	6.19	
AGT	(66.4)	51.28	3.52	6.9%	54.80	7.65	81.9%
B.C. Tel	(84.7)	58.65	3.17	5.4%	61.83	6.90	85.9%
Total or Mean	(588.1)	51.11	2.73	5.3%	53.84	5.94	
Unweighted Average		49.53	2.64	5.3%	52.17	5.75	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 46.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(8.7)	17.90	1.75	9.8%	19.65	3.81		8.46
Island Tel	(2.1)	15.38	1.32	8.6%	16.70	2.86	79.4%	5.55
MT&T	(20.2)	17.22	1.82	10.6%	19.04	3.96	80.0%	7.05
NBTel	(16.2)	16.94	1.85	10.9%	18.79	4.02	81.2%	5.48
Bell	(344.2)	15.36	1.69	11.0%	17.05	3.67	78.0%	6.40
Manitoba Tel	(17.2)	11.72	0.99	8.5%	12.71	2.15		3.52
SaskTel	(28.4)	14.08	1.88	13.3%	15.96	4.09		6.01
AGT	(66.4)	18.46	2.30	12.4%	20.76	4.99	79.1%	9.17
B.C. Tel	(84.7)	17.03	1.99	11.7%	19.02	4.33	80.7%	7.34
Total or Mean	(588.1)	15.72	1.76	11.2%	17.48	3.82		6.58
Unweighted Average		16.01	1.73	10.8%	17.74	3.77		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(8.7)	17.90	2.97	16.6%	20.87	6.46	
Island Tel	(2.1)	15.38	1.91	12.4%	17.29	4.15	77.2%
MT&T	(20.2)	17.22	2.49	14.5%	19.71	5.42	77.8%
NBTel	(16.2)	16.94	2.75	16.2%	19.68	5.97	76.0%
Bell	(344.2)	15.36	2.62	17.1%	17.98	5.70	73.7%
Manitoba Tel	(17.2)	11.72	1.53	13.0%	13.24	3.32	
SaskTel	(28.4)	14.08	2.85	20.2%	16.93	6.19	
AGT	(66.4)	18.46	3.52	19.1%	21.98	7.65	75.2%
B.C. Tel	(84.7)	17.03	3.17	18.6%	20.20	6.90	77.5%
Total or Mean	(588.1)	15.72	2.72	17.3%	18.44	5.91	
Unweighted Average		16.01	2.64	16.5%	18.65	5.75	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 50.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(17.2)	59.44	11.56	19.4%	71.00	23.11		6.03%
Island Tel	(4.2)	46.10	7.82	17.0%	53.92	15.65	62.6%	6.03%
MT&T	(40.1)	44.58	9.38	21.0%	53.96	18.76	60.9%	6.29%
NBTel	(32.1)	59.85	12.97	21.7%	72.82	25.94	62.3%	6.64%
Bell	(683.4)	51.91	11.33	21.8%	63.24	22.67	73.0%	6.27%
Manitoba Tel	(34.2)	34.34	5.76	16.8%	40.10	11.52		4.09%
SaskTel	(56.5)	39.61	10.52	26.6%	50.12	21.03		6.13%
AGT	(131.9)	51.28	12.67	24.7%	63.94	25.33	64.0%	6.51%
B.C. Tel	(168.1)	58.65	13.60	23.2%	72.26	27.21	70.9%	7.05%
Total or Mean	(1,167.7)	51.11	11.36	22.2%	62.47	22.72		6.30%
Unweighted Average		49.53	10.62	21.4%	60.15	21.25		6.12%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(17.2)	59.44	5.89	9.9%	65.34	11.78	
Island Tel	(4.2)	46.10	3.78	8.2%	49.88	7.56	69.9%
MT&T	(40.1)	44.58	4.95	11.1%	49.53	9.90	67.6%
NBTel	(32.1)	59.85	5.45	9.1%	65.30	10.91	77.5%
Bell	(683.4)	51.91	5.21	10.0%	57.11	10.41	82.4%
Manitoba Tel	(34.2)	34.34	3.03	8.8%	37.36	6.05	
SaskTel	(56.5)	39.61	5.66	14.3%	45.27	11.32	
AGT	(131.9)	51.28	6.99	13.6%	58.27	13.98	74.7%
B.C. Tel	(168.1)	58.65	6.30	10.7%	64.95	12.60	81.1%
Total or Mean	(1,167.7)	51.11	5.43	10.6%	56.54	10.85	
Unweighted Average		49.53	5.25	10.6%	54.78	10.50	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0%
Competing rates discounted by 50.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(17.2)	17.90	3.48	19.4%	21.38	6.96		7.98
Island Tel	(4.2)	15.38	2.61	17.0%	17.99	5.22	75.2%	5.23
MT&T	(40.1)	17.22	3.62	21.0%	20.84	7.25	74.7%	6.67
NBTel	(32.1)	16.94	3.67	21.7%	20.61	7.34	72.3%	5.17
Bell	(683.4)	15.36	3.35	21.8%	18.71	6.71	71.3%	6.05
Manitoba Tel	(34.2)	11.72	1.97	16.8%	13.68	3.93		3.32
SaskTel	(56.5)	14.08	3.74	26.6%	17.82	7.48		5.68
AGT	(131.9)	18.46	4.56	24.7%	23.02	9.12	73.2%	3.66
B.C. Tel	(168.1)	17.03	3.95	23.2%	20.98	7.90	76.1%	6.93
Total or Mean	(1,167.7)	15.72	3.49	22.2%	19.21	6.97		6.21
Unweighted Average		16.01	3.44	21.5%	19.45	6.88		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(17.2)	17.90	5.89	32.9%	23.79	11.78	
Island Tel	(4.2)	15.38	3.78	24.6%	19.16	7.56	71.1%
MT&T	(40.1)	17.22	4.95	28.7%	22.17	9.90	69.8%
NBTel	(32.1)	16.94	5.45	32.2%	22.39	10.91	62.8%
Bell	(683.4)	15.36	5.21	33.9%	20.56	10.41	62.1%
Manitoba Tel	(34.2)	11.72	3.03	25.8%	14.74	6.05	
SaskTel	(56.5)	14.08	5.66	40.2%	19.74	11.32	
AGT	(131.9)	18.46	6.99	37.9%	25.45	13.98	66.7%
B.C. Tel	(168.1)	17.03	6.30	37.0%	23.33	12.60	69.4%
Total or Mean	(1,167.7)	15.72	5.40	34.3%	21.12	10.79	
Unweighted Average		16.01	5.25	32.8%	21.26	10.50	

REBALANCED RATES

All Canada

R(A)

2. REBALANCED RATES

All Canada

R(A)

SEQUENCE OF TABLES

0% rate discount by Competitor
- 10% market loss by Telcos
- 20% market loss by Telcos

10% rate discount by Competitor
- 10% market loss by Telcos
- 20% market loss by Telcos

25% rate discount by Competitor
- 10% market loss by Telcos
- 20% market loss by Telcos

Maximum rate discount by Competitor
(no contribution payment)
- 10% market loss by Telcos
- 20% market loss by Telcos

For explanation of Tables, see Pages III-1 to III-7 of the Final Report

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
Market Lost to Competition:	0.0%	
		Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	0.0	59.44	0.00	0.0%	59.44	NA		0.00%
Island Tel	0.0	46.10	0.00	0.0%	46.10	NA	NA	0.00%
MT&T	(0.0)	44.58	0.00	0.0%	44.58	NA	NA	0.00%
NBTel	0.0	59.85	0.00	0.0%	59.85	NA	NA	0.00%
Bell	(0.0)	51.91	0.00	0.0%	51.91	NA	NA	0.00%
Manitoba Tel	0.0	34.34	0.00	0.0%	34.34	NA		0.00%
SaskTel	0.0	39.61	0.00	0.0%	39.61	NA		0.00%
AGT	(0.0)	51.28	0.00	0.0%	51.28	NA	NA	0.00%
B.C. Tel	(0.0)	58.65	0.00	0.0%	58.65	NA	NA	0.00%
Total or Mean	(0.0)	51.11	0.00	0.0%	51.11	NA		0.00%
Unweighted Average		49.53	0.00	0.0%	49.53	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	0.0	59.44	0.00	0.0%	59.44	NA	
Island Tel	0.0	46.10	0.00	0.0%	46.10	NA	NA
MT&T	(0.0)	44.58	0.00	0.0%	44.58	NA	NA
NBTel	0.0	59.85	0.00	0.0%	59.85	NA	NA
Bell	(0.0)	51.91	0.00	0.0%	51.91	NA	NA
Manitoba Tel	0.0	34.34	0.00	0.0%	34.34	NA	
SaskTel	0.0	39.61	0.00	0.0%	39.61	NA	
AGT	(0.0)	51.28	0.00	0.0%	51.28	NA	NA
B.C. Tel	(0.0)	58.65	0.00	0.0%	58.65	NA	NA
Total or Mean	(0.0)	51.11	0.00	0.0%	51.11	NA	
Unweighted Average		49.53	0.00	0.0%	49.53	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate
Market Lost to Competition: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	0.0	17.90	0.00	0.0%	17.90	NA		NA
Island Tel	0.0	15.38	0.00	0.0%	15.38	NA	NA	NA
MT&T	(0.0)	17.22	0.00	0.0%	17.22	NA	NA	NA
NBTel	0.0	16.94	0.00	0.0%	16.94	NA	NA	NA
Bell	(0.0)	15.36	0.00	0.0%	15.36	NA	NA	NA
Manitoba Tel	0.0	11.72	0.00	0.0%	11.72	NA		NA
SaskTel	0.0	14.08	0.00	0.0%	14.08	NA		NA
AGT	(0.0)	18.46	0.00	0.0%	18.46	NA	NA	NA
B.C. Tel	(0.0)	17.03	0.00	0.0%	17.03	NA	NA	NA
Total or Mean	(0.0)	15.72	0.00	0.0%	15.72	NA		NA
Unweighted Average		16.01	0.00	0.0%	16.01	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	0.0	17.90	0.00	0.0%	17.90	NA	
Island Tel	0.0	15.38	0.00	0.0%	15.38	NA	NA
MT&T	(0.0)	17.22	0.00	0.0%	17.22	NA	NA
NBTel	0.0	16.94	0.00	0.0%	16.94	NA	NA
Bell	(0.0)	15.36	0.00	0.0%	15.36	NA	NA
Manitoba Tel	0.0	11.72	0.00	0.0%	11.72	NA	
SaskTel	0.0	14.08	0.00	0.0%	14.08	NA	
AGT	(0.0)	18.46	0.00	0.0%	18.46	NA	NA
B.C. Tel	(0.0)	17.03	0.00	0.0%	17.03	NA	NA
Total or Mean	(0.0)	15.72	0.00	0.0%	15.72	NA	
Unweighted Average		16.01	0.00	0.0%	16.01	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
Market Lost to Competition:	0.0%	
		Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(0.0)	33.13	0.00	0.0%	33.13	NA	NA	0.00%
Quebec-Tel	(0.0)	32.51	0.00	0.0%	32.51	NA		0.00%
Telebec	(0.0)	42.42	0.00	0.0%	42.42	NA		0.00%
Northern Tel	(0.0)	30.45	0.00	0.0%	30.45	NA		0.00%
Thunder Bay	(0.0)	12.11	0.00	0.0%	12.11	NA		0.00%
'edmonton tel'	0.0	20.51	0.00	0.0%	20.51	NA		0.00%
Prince Rupert	(0.0)	20.65	0.00	0.0%	20.65	NA		0.00%
NorthwesTel	0.0	29.58	0.00	0.0%	29.58	NA		0.00%
Total or Mean	0.0	24.19	0.00	0.0%	24.19	NA		0.00%
Unweighted Average		27.67	0.00	0.0%	27.67	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(0.0)	33.13	0.00	0.0%	33.13	NA	NA
Quebec-Tel	(0.0)	32.51	0.00	0.0%	32.51	NA	
Telebec	(0.0)	42.42	0.00	0.0%	42.42	NA	
Northern Tel	(0.0)	30.45	0.00	0.0%	30.45	NA	
Thunder Bay	(0.0)	12.11	0.00	0.0%	12.11	NA	
'edmonton tel'	0.0	20.51	0.00	0.0%	20.51	NA	
Prince Rupert	(0.0)	20.65	0.00	0.0%	20.65	NA	
NorthwesTel	0.0	29.58	0.00	0.0%	29.58	NA	
Total or Mean	0.0	24.19	0.00	0.0%	24.19	NA	
Unweighted Average		27.67	0.00	0.0%	27.67	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	0.0%	
			Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(0.0)	13.28	0.00	0.0%	13.28	NA	NA	NA
Quebec-Tel	(0.0)	12.21	0.00	0.0%	12.21	NA		NA
Telebec	(0.0)	14.74	0.00	0.0%	14.74	NA		NA
Northern Tel	(0.0)	11.50	0.00	0.0%	11.50	NA		NA
Thunder Bay	(0.0)	5.13	0.00	0.0%	5.13	NA		NA
'edmonton tel'	0.0	6.96	0.00	0.0%	6.96	NA		NA
Prince Rupert	(0.0)	8.93	0.00	0.0%	8.93	NA		NA
NorthwesTel	0.0	14.79	0.00	0.0%	14.79	NA		NA
Total or Mean	0.0	10.62	0.00	0.0%	10.62	NA		NA
Unweighted Average		10.94	0.00	0.0%	10.94	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(0.0)	13.28	0.00	0.0%	13.28	NA	NA
Quebec-Tel	(0.0)	12.21	0.00	0.0%	12.21	NA	
Telebec	(0.0)	14.74	0.00	0.0%	14.74	NA	
Northern Tel	(0.0)	11.50	0.00	0.0%	11.50	NA	
Thunder Bay	(0.0)	5.13	0.00	0.0%	5.13	NA	
'edmonton tel'	0.0	6.96	0.00	0.0%	6.96	NA	
Prince Rupert	(0.0)	8.93	0.00	0.0%	8.93	NA	
NorthwesTel	0.0	14.79	0.00	0.0%	14.79	NA	
Total or Mean	0.0	10.62	0.00	0.0%	10.62	NA	
Unweighted Average		10.94	0.00	0.0%	10.94	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 6.60 cts/min 20.6% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.0)	59.44	2.04	3.4%	61.49	NA		1.02%
Island Tel	(0.6)	46.10	1.17	2.5%	47.27	NA	NA	0.88%
MT&T	(7.3)	44.58	1.70	3.8%	46.29	NA	NA	1.11%
NBTel	(6.1)	59.85	2.46	4.1%	62.30	NA	NA	1.23%
Bell	(104.2)	51.91	1.73	3.3%	53.63	NA	NA	0.94%
Manitoba Tel	(0.4)	34.34	0.07	0.2%	34.41	NA		0.05%
SaskTel	(9.9)	39.61	1.84	4.7%	41.45	NA		1.05%
AGT	(26.9)	51.28	2.58	5.0%	53.86	NA	NA	1.29%
B.C. Tel	(27.4)	58.65	2.21	3.8%	60.87	NA	NA	1.12%
Total or Mean	(185.8)	51.11	1.80	3.5%	52.91	NA		0.98%
Unweighted Average		49.53	1.76	3.5%	51.28	NA		0.96%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(3.0)	59.44	1.04	1.8%	60.49	NA	
Island Tel	(0.6)	46.10	0.56	1.2%	46.66	NA	NA
MT&T	(7.3)	44.58	0.90	2.0%	45.48	NA	NA
NBTel	(6.1)	59.85	1.03	1.7%	60.88	NA	NA
Bell	(104.2)	51.91	0.79	1.5%	52.70	NA	NA
Manitoba Tel	(0.4)	34.34	0.04	0.1%	34.38	NA	
SaskTel	(9.9)	39.61	0.99	2.5%	40.60	NA	
AGT	(26.9)	51.28	1.42	2.8%	52.70	NA	NA
B.C. Tel	(27.4)	58.65	1.03	1.7%	59.68	NA	NA
Total or Mean	(185.8)	51.11	0.87	1.7%	51.97	NA	
Unweighted Average		49.53	0.87	1.8%	50.40	NA	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	6.60 cts/min	20.6% of Telco rate.
	Market Lost to Competition:	-10.0%	
			Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.0)	17.90	0.61	3.4%	18.52	NA		10.59
Island Tel	(0.6)	15.38	0.39	2.5%	15.77	NA	NA	9.05
MT&T	(7.3)	17.22	0.66	3.8%	17.88	NA	NA	10.40
NBTel	(6.1)	16.94	0.70	4.1%	17.63	NA	NA	9.68
Bell	(104.2)	15.36	0.51	3.3%	15.87	NA	NA	9.39
Manitoba Tel	(0.4)	11.72	0.03	0.2%	11.74	NA		6.73
SaskTel	(9.9)	14.08	0.65	4.7%	14.74	NA		9.72
AGT	(26.9)	18.46	0.93	5.0%	19.39	NA	NA	11.57
B.C. Tel	(27.4)	17.03	0.64	3.8%	17.68	NA	NA	10.11
Total or Mean	(185.8)	15.72	0.55	3.5%	16.27	NA		9.42
Unweighted Average		16.01	0.57	3.6%	16.58	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(3.0)	17.90	1.04	5.8%	18.94	NA	
Island Tel	(0.6)	15.38	0.56	3.7%	15.95	NA	NA
MT&T	(7.3)	17.22	0.90	5.2%	18.12	NA	NA
NBTel	(6.1)	16.94	1.03	6.1%	17.97	NA	NA
Bell	(104.2)	15.36	0.79	5.2%	16.15	NA	NA
Manitoba Tel	(0.4)	11.72	0.04	0.3%	11.75	NA	
SaskTel	(9.9)	14.08	0.99	7.0%	15.07	NA	
AGT	(26.9)	18.46	1.42	7.7%	19.88	NA	NA
B.C. Tel	(27.4)	17.03	1.03	6.0%	18.06	NA	NA
Total or Mean	(185.8)	15.72	0.86	5.4%	16.58	NA	
Unweighted Average		16.01	0.87	5.4%	16.88	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 6.60 cts/min 20.6% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(0.9)	33.13	1.25	3.8%	34.38	NA	NA	1.05%
Quebec-Tel	(5.9)	32.51	2.85	8.8%	35.35	NA		1.86%
Telebec	(1.7)	42.42	0.98	2.3%	43.41	NA		0.61%
Northern Tel	(0.7)	30.45	0.99	3.2%	31.44	NA		1.40%
Thunder Bay	0.3	12.11	-0.24	-1.9%	11.87	NA		-0.79%
'edmonton tel'	5.0	20.51	-0.86	-4.2%	19.65	NA		-1.40%
Prince Rupert	0.1	20.65	-0.57	-2.8%	20.08	NA		-1.80%
NorthwesTel	(1.6)	29.58	1.53	5.2%	31.10	NA		1.19%
Total or Mean	(5.3)	24.19	0.06	0.2%	24.25	NA		0.53%
Unweighted Average		27.67	0.74	2.7%	28.41	NA		0.29%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(0.9)	33.13	0.60	1.8%	33.72	NA	NA
Quebec-Tel	(5.9)	32.51	1.41	4.3%	33.92	NA	
Telebec	(1.7)	42.42	0.45	1.1%	42.87	NA	
Northern Tel	(0.7)	30.45	0.54	1.8%	30.99	NA	
Thunder Bay	0.3	12.11	-0.16	-1.3%	11.95	NA	
'edmonton tel'	5.0	20.51	-0.56	-2.8%	19.95	NA	
Prince Rupert	0.1	20.65	-0.31	-1.5%	20.33	NA	
NorthwesTel	(1.6)	29.58	1.16	3.9%	30.74	NA	
Total or Mean	(5.3)	24.19	-0.03	-0.1%	24.16	NA	
Unweighted Average		27.67	0.39	1.4%	28.06	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 6.60 cts/min 20.6% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(0.9)	13.28	0.50	3.8%	13.79	NA	NA	11.23
Quebec-Tel	(5.9)	12.21	1.07	8.8%	13.28	NA		13.87
Telebec	(1.7)	14.74	0.34	2.3%	15.08	NA		8.92
Northern Tel	(0.7)	11.50	0.37	3.2%	11.88	NA		10.26
Thunder Bay	0.3	5.13	-0.10	-1.9%	5.03	NA		4.74
'edmonton tel'	5.0	6.96	-0.29	-4.2%	6.66	NA		3.55
Prince Rupert	0.1	8.93	-0.25	-2.8%	8.68	NA		3.86
NorthwesTel	(1.6)	14.79	0.76	5.2%	15.55	NA		12.03
Total or Mean	(5.3)	10.62	0.33	3.1%	10.95	NA		7.89
Unweighted Average		10.94	0.30	2.8%	11.24	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(0.9)	13.28	0.60	4.5%	13.88	NA	NA
Quebec-Tel	(5.9)	12.21	1.41	11.6%	13.62	NA	
Telebec	(1.7)	14.74	0.45	3.0%	15.19	NA	
Northern Tel	(0.7)	11.50	0.54	4.7%	12.04	NA	
Thunder Bay	0.3	5.13	-0.16	-3.1%	4.98	NA	
'edmonton tel'	5.0	6.96	-0.56	-8.1%	6.39	NA	
Prince Rupert	0.1	8.93	-0.31	-3.5%	8.61	NA	
NorthwesTel	(1.6)	14.79	1.16	7.9%	15.95	NA	
Total or Mean	(5.3)	10.62	0.38	3.6%	10.99	NA	
Unweighted Average		10.94	0.39	3.6%	11.33	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 7.25 cts/min 22.6% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(4.8)	59.44	3.24	5.4%	62.68	NA		1.67%
Island Tel	(0.9)	46.10	1.71	3.7%	47.81	NA	NA	1.32%
MT&T	(11.8)	44.58	2.75	6.2%	47.33	NA	NA	1.84%
NBTel	(10.0)	59.85	4.03	6.7%	63.88	NA	NA	2.06%
Bell	(153.9)	51.91	2.55	4.9%	54.46	NA	NA	1.41%
Manitoba Tel	2.7	34.34	-0.45	-1.3%	33.89	NA		-0.32%
SaskTel	(15.9)	39.61	2.96	7.5%	42.56	NA		1.72%
AGT	(45.0)	51.28	4.32	8.4%	55.60	NA	NA	2.22%
B.C. Tel	(42.2)	58.65	3.42	5.8%	62.07	NA	NA	1.77%
Total or Mean	(281.8)	51.11	2.73	5.4%	53.84	NA		1.52%
Unweighted Average		49.53	2.73	5.5%	52.25	NA		1.52%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(4.8)	59.44	1.65	2.8%	61.09	NA	
Island Tel	(0.9)	46.10	0.83	1.8%	46.92	NA	NA
MT&T	(11.8)	44.58	1.45	3.3%	46.03	NA	NA
NBTel	(10.0)	59.85	1.69	2.8%	61.54	NA	NA
Bell	(153.9)	51.91	1.17	2.3%	53.08	NA	NA
Manitoba Tel	2.7	34.34	-0.24	-0.7%	34.10	NA	
SaskTel	(15.9)	39.61	1.59	4.0%	41.20	NA	
AGT	(45.0)	51.28	2.38	4.6%	53.66	NA	NA
B.C. Tel	(42.2)	58.65	1.58	2.7%	60.24	NA	NA
Total or Mean	(281.8)	51.11	1.31	2.6%	52.42	NA	
Unweighted Average		49.53	1.35	2.7%	50.87	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	7.25 cts/min	22.6% of Telco rate.
Market Lost to Competition:	-20.0%	
		Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(4.8)	17.90	0.97	5.4%	18.87	NA		10.41
Island Tel	(0.9)	15.38	0.57	3.7%	15.95	NA	NA	9.05
MT&T	(11.8)	17.22	1.06	6.2%	18.28	NA	NA	10.32
NBTel	(10.0)	16.94	1.14	6.7%	18.08	NA	NA	9.77
Bell	(153.9)	15.36	0.76	4.9%	16.11	NA	NA	9.31
Manitoba Tel	2.7	11.72	-0.15	-1.3%	11.56	NA		6.84
SaskTel	(15.9)	14.08	1.05	7.5%	15.13	NA		9.76
AGT	(45.0)	18.46	1.56	8.4%	20.02	NA	NA	11.41
B.C. Tel	(42.2)	17.03	0.99	5.8%	18.02	NA	NA	9.96
Total or Mean	(281.8)	15.72	0.84	5.3%	16.56	NA		9.39
Unweighted Average		16.01	0.88	5.5%	16.89	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(4.8)	17.90	1.65	9.2%	19.55	NA	
Island Tel	(0.9)	15.38	0.83	5.4%	16.21	NA	NA
MT&T	(11.8)	17.22	1.45	8.4%	18.67	NA	NA
NBTel	(10.0)	16.94	1.69	10.0%	18.63	NA	NA
Bell	(153.9)	15.36	1.17	7.6%	16.53	NA	NA
Manitoba Tel	2.7	11.72	-0.24	-2.0%	11.48	NA	
SaskTel	(15.9)	14.08	1.59	11.3%	15.67	NA	
AGT	(45.0)	18.46	2.38	12.9%	20.84	NA	NA
B.C. Tel	(42.2)	17.03	1.58	9.3%	18.61	NA	NA
Total or Mean	(281.8)	15.72	1.30	8.2%	17.02	NA	
Unweighted Average		16.01	1.35	8.4%	17.36	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 7.25 cts/min 22.6% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(1.4)	33.13	1.90	5.7%	35.03	NA	NA	1.63%
Quebec-Tel	(10.7)	32.51	5.19	16.0%	37.70	NA		3.46%
Telebec	(2.5)	42.42	1.46	3.4%	43.88	NA		1.23%
Northern Tel	(1.1)	30.45	1.64	5.4%	32.09	NA		2.32%
Thunder Bay	0.9	12.11	-0.65	-5.3%	11.46	NA		-2.17%
'edmonton tel'	12.6	20.51	-2.16	-10.5%	18.36	NA		-3.49%
Prince Rupert	0.2	20.65	-1.41	-6.8%	19.24	NA		-4.48%
NorthwesTel	(2.5)	29.58	2.46	8.3%	32.03	NA		1.98%
Total or Mean	(4.6)	24.19	-0.31	-1.3%	23.88	NA		0.46%
Unweighted Average		27.67	1.06	3.8%	28.72	NA		0.06%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(1.4)	33.13	0.91	2.7%	34.03	NA	NA
Quebec-Tel	(10.7)	32.51	2.57	7.9%	35.08	NA	
Telebec	(2.5)	42.42	0.66	1.6%	43.09	NA	
Northern Tel	(1.1)	30.45	0.90	2.9%	31.35	NA	
Thunder Bay	0.9	12.11	-0.43	-3.6%	11.67	NA	
'edmonton tel'	12.6	20.51	-1.41	-6.9%	19.10	NA	
Prince Rupert	0.2	20.65	-0.78	-3.8%	19.87	NA	
NorthwesTel	(2.5)	29.58	1.87	6.3%	31.45	NA	
Total or Mean	(4.6)	24.19	-0.33	-1.4%	23.86	NA	
Unweighted Average		27.67	0.54	1.9%	28.21	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 7.25 cts/min 22.6% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(1.4)	13.28	0.76	5.7%	14.05	NA	NA	10.76
Quebec-Tel	(10.7)	12.21	1.95	16.0%	14.16	NA		13.88
Telebec	(2.5)	14.74	0.51	3.4%	15.25	NA		8.97
Northern Tel	(1.1)	11.50	0.62	5.4%	12.12	NA		10.28
Thunder Bay	0.9	5.13	-0.27	-5.3%	4.86	NA		4.70
'edmonton tel'	12.6	6.96	-0.73	-10.5%	6.22	NA		3.44
Prince Rupert	0.2	8.93	-0.61	-6.8%	8.32	NA		3.86
NorthwesTel	(2.5)	14.79	1.23	8.3%	16.02	NA		11.62
Total or Mean	(4.6)	10.62	0.49	4.6%	11.11	NA		7.81
Unweighted Average		10.94	0.43	3.9%	11.37	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(1.4)	13.28	0.91	6.8%	14.19	NA	NA
Quebec-Tel	(10.7)	12.21	2.57	21.1%	14.79	NA	
Telebec	(2.5)	14.74	0.66	4.5%	15.40	NA	
Northern Tel	(1.1)	11.50	0.90	7.8%	12.40	NA	
Thunder Bay	0.9	5.13	-0.43	-8.4%	4.70	NA	
'edmonton tel'	12.6	6.96	-1.41	-20.2%	5.55	NA	
Prince Rupert	0.2	8.93	-0.78	-8.7%	8.15	NA	
NorthwesTel	(2.5)	14.79	1.87	12.6%	16.66	NA	
Total or Mean	(4.6)	10.62	0.50	4.7%	11.12	NA	
Unweighted Average		10.94	0.54	4.9%	11.48	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 5.20 cts/min 16.3% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
			($)	(%)				
Nfld Tel	(4.0)	59.44	2.65	4.5%	62.10	26.54		1.33%
Island Tel	(0.9)	46.10	1.61	3.5%	47.71	16.14	62.2%	1.21%
MT&T	(9.4)	44.58	2.19	4.9%	46.77	21.89	58.9%	1.43%
NBTel	(7.7)	59.85	3.10	5.2%	62.95	31.03	58.4%	1.55%
Bell	(142.3)	51.91	2.36	4.5%	54.27	23.59	72.4%	1.28%
Manitoba Tel	(3.1)	34.34	0.52	1.5%	34.86	5.23		0.36%
SaskTel	(12.8)	39.61	2.39	6.0%	42.00	23.91		1.36%
AGT	(33.2)	51.28	3.19	6.2%	54.47	31.88	59.0%	1.59%
B.C. Tel	(36.5)	58.65	2.95	5.0%	61.61	29.54	69.5%	1.49%
Total or Mean	(249.8)	51.11	2.43	4.7%	53.54	24.27		1.32%
Unweighted Average		49.53	2.33	4.7%	51.86	23.31		1.29%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(4.0)	59.44	1.35	2.3%	60.80	13.53	
Island Tel	(0.9)	46.10	0.78	1.7%	46.88	7.80	69.7%
MT&T	(9.4)	44.58	1.16	2.6%	45.74	11.56	66.2%
NBTel	(7.7)	59.85	1.30	2.2%	61.15	13.04	74.9%
Bell	(142.3)	51.91	1.08	2.1%	52.99	10.84	82.1%
Manitoba Tel	(3.1)	34.34	0.27	0.8%	34.61	2.75	
SaskTel	(12.8)	39.61	1.29	3.3%	40.89	12.87	
AGT	(33.2)	51.28	1.76	3.4%	53.04	17.59	71.0%
B.C. Tel	(36.5)	58.65	1.37	2.3%	60.02	13.68	80.2%
Total or Mean	(249.8)	51.11	1.16	2.3%	52.27	11.62	
Unweighted Average		49.53	1.15	2.3%	50.68	11.52	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 5.20 cts/min 16.3% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(4.0)	17.90	0.80	4.5%	18.70	7.99		10.04
Island Tel	(0.9)	15.38	0.54	3.5%	15.92	5.39	74.9%	8.36
MT&T	(9.4)	17.22	0.85	4.9%	18.07	8.46	72.5%	9.76
NBTel	(7.7)	16.94	0.88	5.2%	17.82	8.78	68.3%	8.83
Bell	(142.3)	15.36	0.70	4.5%	16.06	6.98	70.6%	8.76
Manitoba Tel	(3.1)	11.72	0.18	1.5%	11.89	1.79		6.09
SaskTel	(12.8)	14.08	0.85	6.0%	14.93	8.50		8.99
AGT	(33.2)	18.46	1.15	6.2%	19.61	11.48	69.9%	10.94
B.C. Tel	(36.5)	17.03	0.86	5.0%	17.89	8.58	75.2%	9.57
Total or Mean	(249.8)	15.72	0.74	4.7%	16.46	7.45		8.74
Unweighted Average		16.01	0.75	4.7%	16.76	7.55		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(4.0)	17.90	1.35	7.6%	19.25	13.53	
Island Tel	(0.9)	15.38	0.78	5.1%	16.16	7.80	70.7%
MT&T	(9.4)	17.22	1.16	6.7%	18.38	11.56	66.7%
NBTel	(7.7)	16.94	1.30	7.7%	18.24	13.04	57.6%
Bell	(142.3)	15.36	1.08	7.1%	16.44	10.84	61.0%
Manitoba Tel	(3.1)	11.72	0.27	2.3%	11.99	2.75	
SaskTel	(12.8)	14.08	1.29	9.1%	15.37	12.87	
AGT	(33.2)	18.46	1.76	9.5%	20.22	17.59	62.3%
B.C. Tel	(36.5)	17.03	1.37	8.0%	18.40	13.68	67.8%
Total or Mean	(249.8)	15.72	1.15	7.3%	16.87	11.52	
Unweighted Average		16.01	1.15	7.2%	17.16	11.52	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 5.20 cts/min 16.3% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(1.3)	33.13	1.71	5.2%	34.84	17.10	64.9%	1.43%
Quebec-Tel	(6.6)	32.51	3.22	9.9%	35.73	32.20		2.11%
Telebec	(2.4)	42.42	1.36	3.2%	43.79	13.63		1.13%
Northern Tel	(0.9)	30.45	1.26	4.2%	31.72	12.65		1.79%
Thunder Bay	0.1	12.11	-0.09	-0.8%	12.01	-0.92		-0.31%
'edmonton tel'	2.9	20.51	-0.50	-2.5%	20.01	-5.04		-0.81%
Prince Rupert	0.1	20.65	-0.35	-1.7%	20.30	-3.49		-1.10%
NorthwesTel	(2.0)	29.58	1.95	6.6%	31.53	19.52		1.52%
Total or Mean	(10.0)	24.19	0.41	1.7%	24.60	4.08		1.01%
Unweighted Average		27.67	1.07	3.9%	28.74	10.71		0.72%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(1.3)	33.13	0.81	2.5%	33.94	8.15	70.0%
Quebec-Tel	(6.6)	32.51	1.60	4.9%	34.10	15.96	
Telebec	(2.4)	42.42	0.62	1.5%	43.04	6.19	
Northern Tel	(0.9)	30.45	0.69	2.3%	31.14	6.91	
Thunder Bay	0.1	12.11	-0.06	-0.5%	12.05	-0.61	
'edmonton tel'	2.9	20.51	-0.33	-1.6%	20.18	-3.29	
Prince Rupert	0.1	20.65	-0.19	-0.9%	20.45	-1.92	
NorthwesTel	(2.0)	29.58	1.49	5.0%	31.06	14.86	
Total or Mean	(10.0)	24.19	0.18	0.7%	24.37	1.80	
Unweighted Average		27.67	0.58	2.1%	28.25	5.78	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 5.20 cts/min 16.3% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(1.3)	13.28	0.69	5.2%	13.97	6.86	86.0%	11.10
Quebec-Tel	(6.6)	12.21	1.21	9.9%	13.42	12.10		12.88
Telebec	(2.4)	14.74	0.47	3.2%	15.21	4.74		8.21
Northern Tel	(0.9)	11.50	0.48	4.2%	11.98	4.78		9.57
Thunder Bay	0.1	5.13	-0.04	-0.8%	5.10	-0.39		4.52
'edmonton tel'	2.9	6.96	-0.17	-2.5%	6.79	-1.71		3.54
Prince Rupert	0.1	8.93	-0.15	-1.7%	8.78	-1.51		3.63
NorthwesTel	(2.0)	14.79	0.98	6.6%	15.76	9.76		11.68
Total or Mean	(10.0)	10.62	0.46	4.3%	11.08	4.61		7.49
Unweighted Average		10.94	0.43	4.0%	11.38	4.33		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(1.3)	13.28	0.81	6.1%	14.10	8.15	84.6%
Quebec-Tel	(6.6)	12.21	1.60	13.1%	13.81	15.96	
Telebec	(2.4)	14.74	0.62	4.2%	15.36	6.19	
Northern Tel	(0.9)	11.50	0.69	6.0%	12.20	6.91	
Thunder Bay	0.1	5.13	-0.06	-1.2%	5.07	-0.61	
'edmonton tel'	2.9	6.96	-0.33	-4.7%	6.63	-3.29	
Prince Rupert	0.1	8.93	-0.19	-2.2%	8.73	-1.92	
NorthwesTel	(2.0)	14.79	1.49	10.0%	16.27	14.86	
Total or Mean	(10.0)	10.62	0.57	5.4%	11.19	5.75	
Unweighted Average		10.94	0.58	5.3%	11.52	5.78	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 5.85 cts/min 18.2% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(6.6)	59.44	4.40	7.4%	63.85	44.01		2.27%
Island Tel	(1.4)	46.10	2.56	5.6%	48.66	25.63	55.8%	1.98%
MT&T	(15.7)	44.58	3.67	8.2%	48.26	36.74	51.2%	2.46%
NBTel	(13.0)	59.85	5.26	8.8%	65.11	52.63	46.2%	2.70%
Bell	(226.8)	51.91	3.76	7.2%	55.67	37.60	64.2%	2.08%
Manitoba Tel	(2.4)	34.34	0.41	1.2%	34.74	4.07		0.29%
SaskTel	(21.5)	39.61	4.00	10.1%	43.61	40.04		2.33%
AGT	(57.0)	51.28	5.48	10.7%	56.76	54.79	45.8%	2.82%
B.C. Tel	(59.6)	58.65	4.83	8.2%	63.48	48.27	60.1%	2.50%
Total or Mean	(404.0)	51.11	3.92	7.7%	55.03	39.24		2.18%
Unweighted Average		49.53	3.82	7.7%	53.35	38.20		2.16%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(6.6)	59.44	2.24	3.8%	61.69	22.43	
Island Tel	(1.4)	46.10	1.24	2.7%	47.34	12.38	65.3%
MT&T	(15.7)	44.58	1.94	4.3%	46.52	19.39	60.5%
NBTel	(13.0)	59.85	2.21	3.7%	62.06	22.12	65.6%
Bell	(226.8)	51.91	1.73	3.3%	53.63	17.28	76.9%
Manitoba Tel	(2.4)	34.34	0.21	0.6%	34.55	2.14	
SaskTel	(21.5)	39.61	2.16	5.4%	41.76	21.55	
AGT	(57.0)	51.28	3.02	5.9%	54.30	30.23	60.2%
B.C. Tel	(59.6)	58.65	2.23	3.8%	60.89	22.34	74.0%
Total or Mean	(404.0)	51.11	1.88	3.7%	52.99	18.81	
Unweighted Average		49.53	1.89	3.8%	51.42	18.88	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 5.85 cts/min 18.2% of Telco rate.
Market Lost to Competition: -20.0%
Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(6.6)	17.90	1.33	7.4%	19.23	13.25		9.86
Island Tel	(1.4)	15.38	0.86	5.6%	16.24	8.55	69.5%	8.36
MT&T	(15.7)	17.22	1.42	8.2%	18.64	14.19	61.9%	9.68
NBTel	(13.0)	16.94	1.49	8.8%	18.43	14.89	53.5%	8.93
Bell	(226.8)	15.36	1.11	7.2%	16.47	11.13	60.3%	8.69
Manitoba Tel	(2.4)	11.72	0.14	1.2%	11.85	1.39		6.19
SaskTel	(21.5)	14.08	1.42	10.1%	15.51	14.24		9.02
AGT	(57.0)	18.46	1.97	10.7%	20.43	19.72	59.9%	10.78
B.C. Tel	(59.6)	17.03	1.40	8.2%	18.43	14.02	67.3%	9.42
Total or Mean	(404.0)	15.72	1.20	7.7%	16.92	12.04		8.71
Unweighted Average		16.01	1.24	7.7%	17.25	12.38		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(6.6)	17.90	2.24	12.5%	20.14	22.43	
Island Tel	(1.4)	15.38	1.24	8.1%	16.62	12.38	63.4%
MT&T	(15.7)	17.22	1.94	11.3%	19.16	19.39	52.9%
NBTel	(13.0)	16.94	2.21	13.1%	19.15	22.12	40.5%
Bell	(226.8)	15.36	1.73	11.2%	17.09	17.28	46.5%
Manitoba Tel	(2.4)	11.72	0.21	1.8%	11.93	2.14	
SaskTel	(21.5)	14.08	2.16	15.3%	16.24	21.55	
AGT	(57.0)	18.46	3.02	16.4%	21.48	30.23	49.9%
B.C. Tel	(59.6)	17.03	2.23	13.1%	19.27	22.34	56.0%
Total or Mean	(404.0)	15.72	1.86	11.8%	17.58	18.61	
Unweighted Average		16.01	1.89	11.8%	17.90	18.88	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 5.85 cts/min 18.2% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	---------- BUSINESS ---------- MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(2.0)	33.13	2.77	8.4%	35.90	27.72	57.8%	2.38%
Quebec-Tel	(12.2)	32.51	5.90	18.2%	38.41	59.04		3.94%
Telebec	(3.8)	42.42	2.18	5.1%	44.61	21.83		1.84%
Northern Tel	(1.5)	30.45	2.17	7.1%	32.62	21.67		3.06%
Thunder Bay	0.5	12.11	-0.37	-3.1%	11.73	-3.73		-1.25%
'edmonton tel'	8.6	20.51	-1.47	-7.2%	19.04	-14.70		-2.38%
Prince Rupert	0.2	20.65	-0.99	-4.8%	19.66	-9.90		-3.14%
NorthwesTel	(3.4)	29.58	3.27	11.0%	32.84	32.68		2.63%
Total or Mean	(13.6)	24.19	0.35	1.5%	24.54	3.51		1.39%
Unweighted Average		27.67	1.68	6.1%	29.35	16.83		0.88%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(2.0)	33.13	1.32	4.0%	34.45	13.20	66.1%
Quebec-Tel	(12.2)	32.51	2.93	9.0%	35.43	29.27	
Telebec	(3.8)	42.42	0.99	2.3%	43.41	9.91	
Northern Tel	(1.5)	30.45	1.18	3.9%	31.64	11.85	
Thunder Bay	0.5	12.11	-0.25	-2.1%	11.86	-2.49	
'edmonton tel'	8.6	20.51	-0.96	-4.7%	19.55	-9.60	
Prince Rupert	0.2	20.65	-0.55	-2.6%	20.10	-5.45	
NorthwesTel	(3.4)	29.58	2.49	8.4%	32.06	24.88	
Total or Mean	(13.6)	24.19	0.08	0.3%	24.27	0.75	
Unweighted Average		27.67	0.89	3.2%	28.56	8.95	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 5.85 cts/min 18.2% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE			BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)			
Terra Nova Tel	(2.0)	13.28	1.11	8.4%	14.40	11.11	79.2%	10.63
Quebec-Tel	(12.2)	12.21	2.22	18.2%	14.43	22.18		12.89
Telebec	(3.8)	14.74	0.76	5.1%	15.50	7.58		8.26
Northern Tel	(1.5)	11.50	0.82	7.1%	12.32	8.19		9.59
Thunder Bay	0.5	5.13	-0.16	-3.1%	4.98	-1.58		4.48
'edmonton tel'	8.6	6.96	-0.50	-7.2%	6.46	-4.98		3.43
Prince Rupert	0.2	8.93	-0.43	-4.8%	8.50	-4.28		3.63
NorthwesTel	(3.4)	14.79	1.63	11.0%	16.42	16.34		11.28
Total or Mean	(13.6)	10.62	0.74	7.0%	11.36	7.41		7.40
Unweighted Average		10.94	0.68	6.2%	11.63	6.82		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(2.0)	13.28	1.32	9.9%	14.60	13.20	76.0%
Quebec-Tel	(12.2)	12.21	2.93	24.0%	15.14	29.27	
Telebec	(3.8)	14.74	0.99	6.7%	15.73	9.91	
Northern Tel	(1.5)	11.50	1.18	10.3%	12.69	11.85	
Thunder Bay	0.5	5.13	-0.25	-4.9%	4.89	-2.49	
'edmonton tel'	8.6	6.96	-0.96	-13.8%	6.00	-9.60	
Prince Rupert	0.2	8.93	-0.55	-6.1%	8.38	-5.45	
NorthwesTel	(3.4)	14.79	2.49	16.8%	17.28	24.88	
Total or Mean	(13.6)	10.62	0.88	8.3%	11.50	8.79	
Unweighted Average		10.94	0.89	8.2%	11.84	8.95	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER		
Geographic Areas of Competition:	All Canada		
Rate Structure:	REBALANCED RATES		
Contribution Charge:	3.15 cts/min	9.9% of Telco rate.	
Market Lost to Competition:	-10.0%		
		Competing rates discounted by	25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(5.5)	59.44	3.70	6.2%	63.15	14.82		1.86%
Island Tel	(1.3)	46.10	2.38	5.2%	48.48	9.52	67.9%	1.79%
MT&T	(12.9)	44.58	3.02	6.8%	47.61	12.09	65.8%	1.97%
NBTel	(10.4)	59.85	4.21	7.0%	64.06	16.85	70.7%	2.11%
Bell	(207.6)	51.91	3.44	6.6%	55.35	13.77	79.6%	1.87%
Manitoba Tel	(7.7)	34.34	1.30	3.8%	35.63	5.18		0.89%
SaskTel	(17.9)	39.61	3.33	8.4%	42.94	13.34		1.89%
AGT	(44.1)	51.28	4.23	8.3%	55.51	16.93	71.7%	2.11%
B.C. Tel	(52.2)	58.65	4.22	7.2%	62.88	16.89	77.8%	2.13%
Total or Mean	(359.6)	51.11	3.50	6.8%	54.61	13.98		1.89%
Unweighted Average		49.53	3.32	6.7%	52.84	13.27		1.85%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(5.5)	59.44	1.89	3.2%	61.33	7.55	
Island Tel	(1.3)	46.10	1.15	2.5%	47.25	4.60	73.2%
MT&T	(12.9)	44.58	1.60	3.6%	46.18	6.38	70.9%
NBTel	(10.4)	59.85	1.77	3.0%	61.62	7.08	82.7%
Bell	(207.6)	51.91	1.58	3.0%	53.49	6.33	86.1%
Manitoba Tel	(7.7)	34.34	0.68	2.0%	35.02	2.72	
SaskTel	(17.9)	39.61	1.79	4.5%	41.40	7.18	
AGT	(44.1)	51.28	2.34	4.6%	53.61	9.34	79.9%
B.C. Tel	(52.2)	58.65	1.96	3.3%	60.61	7.82	85.1%
Total or Mean	(359.6)	51.11	1.67	3.3%	52.78	6.69	
Unweighted Average		49.53	1.64	3.3%	51.17	6.56	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER
	Geographic Areas of Competition:	All Canada
	Rate Structure:	REBALANCED RATES
	Contribution Charge:	3.15 cts/min 9.9% of Telco rate.
	Market Lost to Competition:	-10.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(5.5)	17.90	1.12	6.2%	19.02	4.46		9.15
Island Tel	(1.3)	15.38	0.79	5.2%	16.18	3.18	78.9%	7.29
MT&T	(12.9)	17.22	1.17	6.8%	18.39	4.67	79.0%	8.74
NBTel	(10.4)	16.94	1.19	7.0%	18.13	4.77	79.3%	7.53
Bell	(207.6)	15.36	1.02	6.6%	16.38	4.07	77.2%	7.76
Manitoba Tel	(7.7)	11.72	0.44	3.8%	12.16	1.77		5.10
SaskTel	(17.9)	14.08	1.19	8.4%	15.27	4.74		7.84
AGT	(44.1)	18.46	1.52	8.3%	19.99	6.10	77.5%	9.52
B.C. Tel	(52.2)	17.03	1.23	7.2%	18.26	4.91	80.0%	8.70
Total or Mean	(359.6)	15.72	1.07	6.8%	16.79	4.29		7.67
Unweighted Average		16.01	1.07	6.7%	17.08	4.30		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(5.5)	17.90	1.89	10.5%	19.79	7.55	
Island Tel	(1.3)	15.38	1.15	7.5%	16.53	4.60	76.3%
MT&T	(12.9)	17.22	1.60	9.3%	18.82	6.38	76.2%
NBTel	(10.4)	16.94	1.77	10.5%	18.71	7.08	73.0%
Bell	(207.6)	15.36	1.58	10.3%	16.94	6.33	72.2%
Manitoba Tel	(7.7)	11.72	0.68	5.8%	12.40	2.72	
SaskTel	(17.9)	14.08	1.79	12.7%	15.88	7.18	
AGT	(44.1)	18.46	2.34	12.7%	20.80	9.34	72.6%
B.C. Tel	(52.2)	17.03	1.96	11.5%	18.99	7.82	76.2%
Total or Mean	(359.6)	15.72	1.66	10.6%	17.38	6.64	
Unweighted Average		16.01	1.64	10.2%	17.65	6.56	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 3.15 cts/min 9.9% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates
discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(1.8)	33.13	2.49	7.5%	35.62	9.97	66.9%	2.08%
Quebec-Tel	(8.0)	32.51	3.86	11.9%	36.37	15.44		2.52%
Telebec	(3.5)	42.42	2.01	4.7%	44.44	8.06		1.66%
Northern Tel	(1.2)	30.45	1.74	5.7%	32.19	6.95		2.46%
Thunder Bay	(0.2)	12.11	0.16	1.3%	12.26	0.62		0.52%
'edmonton tel'	(0.7)	20.51	0.12	0.6%	20.63	0.46		0.19%
Prince Rupert	(0.0)	20.65	0.03	0.1%	20.68	0.12		0.10%
NorthwesTel	(2.8)	29.58	2.68	9.1%	32.26	10.73		2.09%
Total or Mean	(18.2)	24.19	1.01	4.2%	25.20	4.03		1.83%
Unweighted Average		27.67	1.64	5.9%	29.31	6.55		1.45%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(1.8)	33.13	1.19	3.6%	34.32	4.75	72.0%
Quebec-Tel	(8.0)	32.51	1.91	5.9%	34.42	7.65	
Telebec	(3.5)	42.42	0.91	2.2%	43.34	3.66	
Northern Tel	(1.2)	30.45	0.95	3.1%	31.40	3.80	
Thunder Bay	(0.2)	12.11	0.10	0.9%	12.21	0.41	
'edmonton tel'	(0.7)	20.51	0.08	0.4%	20.59	0.30	
Prince Rupert	(0.0)	20.65	0.02	0.1%	20.66	0.07	
NorthwesTel	(2.8)	29.58	2.04	6.9%	31.62	8.17	
Total or Mean	(18.2)	24.19	0.55	2.3%	24.74	2.19	
Unweighted Average		27.67	0.90	3.3%	28.57	3.60	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	3.15 cts/min	9.9% of Telco rate.
Market Lost to Competition:	-10.0%	
		Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(1.8)	13.28	1.00	7.5%	14.28	4.00	88.6%	10.79
Quebec-Tel	(8.0)	12.21	1.45	11.9%	13.66	5.80		11.33
Telebec	(3.5)	14.74	0.70	4.7%	15.44	2.80		7.09
Northern Tel	(1.2)	11.50	0.66	5.7%	12.16	2.63		8.48
Thunder Bay	(0.2)	5.13	0.07	1.3%	5.20	0.26		4.16
'edmonton tel'	(0.7)	6.96	0.04	0.6%	7.00	0.16		3.49
Prince Rupert	(0.0)	8.93	0.01	0.1%	8.94	0.05		3.27
NorthwesTel	(2.8)	14.79	1.34	9.1%	16.13	5.36		11.06
Total or Mean	(18.2)	10.62	0.69	6.5%	11.30	2.74		6.83
Unweighted Average		10.94	0.66	6.0%	11.60	2.63		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Terra Nova Tel	(1.8)	13.28	1.19	8.9%	14.47	4.75	88.0%
Quebec-Tel	(8.0)	12.21	1.91	15.7%	14.13	7.65	
Telebec	(3.5)	14.74	0.91	6.2%	15.65	3.66	
Northern Tel	(1.2)	11.50	0.95	8.3%	12.45	3.80	
Thunder Bay	(0.2)	5.13	0.10	2.0%	5.24	0.41	
'edmonton tel'	(0.7)	6.96	0.08	1.1%	7.03	0.30	
Prince Rupert	(0.0)	8.93	0.02	0.2%	8.94	0.07	
NorthwesTel	(2.8)	14.79	2.04	13.8%	16.83	8.17	
Total or Mean	(18.2)	10.62	0.91	8.6%	11.53	3.66	
Unweighted Average		10.94	0.90	8.2%	11.84	3.60	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	3.70 cts/min	11.5% of Telco rate.
	Market Lost to Competition:	-20.0%	
			Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(9.7)	59.44	6.53	11.0%	65.98	26.13		3.37%
Island Tel	(2.2)	46.10	4.12	8.9%	50.22	16.48	62.0%	3.18%
MT&T	(22.9)	44.58	5.37	12.0%	49.95	21.47	59.1%	3.60%
NBTel	(18.6)	59.85	7.52	12.6%	67.36	30.07	59.1%	3.85%
Bell	(360.1)	51.91	5.97	11.5%	57.88	23.89	72.2%	3.30%
Manitoba Tel	(11.7)	34.34	1.97	5.7%	36.31	7.90		1.40%
SaskTel	(31.8)	39.61	5.92	14.9%	45.52	23.68		3.45%
AGT	(79.1)	51.28	7.60	14.8%	58.88	30.40	60.1%	3.91%
B.C. Tel	(91.5)	58.65	7.40	12.6%	66.06	29.62	69.5%	3.84%
Total or Mean	(627.8)	51.11	6.10	11.9%	57.21	24.41		3.39%
Unweighted Average		49.53	5.82	11.8%	55.35	23.29		3.32%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(9.7)	59.44	3.33	5.6%	62.78	13.32	
Island Tel	(2.2)	46.10	1.99	4.3%	48.09	7.96	69.5%
MT&T	(22.9)	44.58	2.83	6.4%	47.41	11.33	66.4%
NBTel	(18.6)	59.85	3.16	5.3%	63.01	12.64	75.4%
Bell	(360.1)	51.91	2.74	5.3%	54.65	10.97	81.9%
Manitoba Tel	(11.7)	34.34	1.04	3.0%	35.37	4.15	
SaskTel	(31.8)	39.61	3.19	8.0%	42.79	12.75	
AGT	(79.1)	51.28	4.19	8.2%	55.47	16.78	71.8%
B.C. Tel	(91.5)	58.65	3.43	5.8%	62.08	13.71	80.2%
Total or Mean	(627.8)	51.11	2.92	5.7%	54.03	11.68	
Unweighted Average		49.53	2.88	5.8%	52.41	11.51	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 3.70 cts/min 11.5% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(9.7)	17.90	1.97	11.0%	19.87	7.87		8.99
Island Tel	(2.2)	15.38	1.37	8.9%	16.76	5.50	74.7%	7.28
MT&T	(22.9)	17.22	2.07	12.0%	19.29	8.29	72.8%	8.66
NBTel	(18.6)	16.94	2.13	12.6%	19.06	8.51	69.1%	7.60
Bell	(360.1)	15.36	1.77	11.5%	17.12	7.07	70.4%	7.70
Manitoba Tel	(11.7)	11.72	0.67	5.7%	12.39	2.69		5.18
SaskTel	(31.8)	14.08	2.10	14.9%	16.19	8.42		7.86
AGT	(79.1)	18.46	2.74	14.8%	21.20	10.95	70.6%	9.78
B.C. Tel	(91.5)	17.03	2.15	12.6%	19.18	8.60	75.2%	8.56
Total or Mean	(627.8)	15.72	1.87	11.9%	17.59	7.49		7.65
Unweighted Average		16.01	1.89	11.8%	17.90	7.54		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(9.7)	17.90	3.33	18.6%	21.23	13.32	
Island Tel	(2.2)	15.38	1.99	12.9%	17.37	7.96	70.5%
MT&T	(22.9)	17.22	2.83	16.4%	20.05	11.33	67.2%
NBTel	(18.6)	16.94	3.16	18.7%	20.10	12.64	58.6%
Bell	(360.1)	15.36	2.74	17.9%	18.10	10.97	60.7%
Manitoba Tel	(11.7)	11.72	1.04	8.9%	12.75	4.15	
SaskTel	(31.8)	14.08	3.19	22.6%	17.27	12.75	
AGT	(79.1)	18.46	4.19	22.7%	22.66	16.78	63.2%
B.C. Tel	(91.5)	17.03	3.43	20.1%	20.46	13.71	67.8%
Total or Mean	(627.8)	15.72	2.90	18.4%	18.62	11.59	
Unweighted Average		16.01	2.88	18.0%	18.89	11.51	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 3.70 cts/min 11.5% of Telco rate.
Market Lost to Competition: -20.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(3.2)	33.13	4.36	13.2%	37.49	17.45	63.6%	3.74%
Quebec-Tel	(14.8)	32.51	7.20	22.2%	39.71	28.81		4.81%
Telebec	(6.1)	42.42	3.50	8.3%	45.93	14.02		2.95%
Northern Tel	(2.2)	30.45	3.13	10.3%	33.58	12.52		4.42%
Thunder Bay	(0.2)	12.11	0.13	1.1%	12.23	0.51		0.43%
'edmonton tel'	1.2	20.51	-0.21	-1.0%	20.30	-0.84		-0.34%
Prince Rupert	0.0	20.65	-0.22	-1.1%	20.43	-0.88		-0.70%
NorthwesTel	(4.9)	29.58	4.75	16.1%	34.33	19.01		3.82%
Total or Mean	(30.1)	24.19	1.57	6.5%	25.76	6.27		3.07%
Unweighted Average		27.67	2.83	10.2%	30.50	11.33		2.39%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(3.2)	33.13	2.08	6.3%	35.21	8.31	69.3%	
Quebec-Tel	(14.8)	32.51	3.57	11.0%	36.08	14.28		
Telebec	(6.1)	42.42	1.59	3.8%	44.01	6.36		
Northern Tel	(2.2)	30.45	1.71	5.6%	32.16	6.84		
Thunder Bay	(0.2)	12.11	0.09	0.7%	12.19	0.34		
'edmonton tel'	1.2	20.51	-0.14	-0.7%	20.38	-0.55		
Prince Rupert	0.0	20.65	-0.12	-0.6%	20.53	-0.48		
NorthwesTel	(4.9)	29.58	3.62	12.2%	33.19	14.47		
Total or Mean	(30.1)	24.19	0.82	3.4%	25.01	3.29		
Unweighted Average		27.67	1.55	5.6%	29.22	6.20		

INDEPENDENT TELEPHONE COMPANIES

INPUTS:		
	Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER
	Geographic Areas of Competition:	All Canada
	Rate Structure:	REBALANCED RATES
	Contribution Charge:	3.70 cts/min 11.5% of Telco rate.
	Market Lost to Competition:	-20.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(3.2)	13.28	1.75	13.2%	15.03	7.00	84.9%	10.38
Quebec-Tel	(14.8)	12.21	2.71	22.2%	14.92	10.83		11.33
Telebec	(6.1)	14.74	1.22	8.3%	15.96	4.87		7.13
Northern Tel	(2.2)	11.50	1.18	10.3%	12.69	4.73		8.50
Thunder Bay	(0.2)	5.13	0.05	1.1%	5.19	0.22		4.12
'edmonton tel'	1.2	6.96	-0.07	-1.0%	6.89	-0.29		3.39
Prince Rupert	0.0	8.93	-0.09	-1.1%	8.83	-0.38		3.26
NorthwesTel	(4.9)	14.79	2.38	16.1%	17.16	9.50		10.71
Total or Mean	(30.1)	10.62	1.20	11.3%	11.81	4.79		6.75
Unweighted Average		10.94	1.14	10.4%	12.08	4.56		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(3.2)	13.28	2.08	15.6%	15.36	8.31	83.2%
Quebec-Tel	(14.8)	12.21	3.57	29.2%	15.78	14.28	
Telebec	(6.1)	14.74	1.59	10.8%	16.33	6.36	
Northern Tel	(2.2)	11.50	1.71	14.9%	13.21	6.84	
Thunder Bay	(0.2)	5.13	0.09	1.7%	5.22	0.34	
'edmonton tel'	1.2	6.96	-0.14	-2.0%	6.82	-0.55	
Prince Rupert	0.0	8.93	-0.12	-1.4%	8.81	-0.48	
NorthwesTel	(4.9)	14.79	3.62	24.5%	18.41	14.47	
Total or Mean	(30.1)	10.62	1.57	14.8%	12.19	6.28	
Unweighted Average		10.94	1.55	14.2%	12.49	6.20	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 48.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(8.9)	59.44	5.96	10.0%	65.40	12.41		2.99%
Island Tel	(2.2)	46.10	4.02	8.7%	50.12	8.38	69.1%	3.02%
MT&T	(20.6)	44.58	4.81	10.8%	49.39	10.02	67.5%	3.14%
NBTel	(16.3)	59.85	6.59	11.0%	66.44	13.74	74.[illegible]%	3.30%
Bell	(347.7)	51.91	5.76	11.1%	57.67	12.01	81.1%	3.13%
Manitoba Tel	(17.5)	34.34	2.95	8.6%	37.29	6.15		2.04%
SaskTel	(28.8)	39.61	5.36	13.5%	44.96	11.16		3.04%
AGT	(67.4)	51.28	6.47	12.6%	57.75	13.49	75.2%	3.23%
B.C. Tel	(85.8)	58.65	6.95	11.8%	65.60	14.47	79.6%	3.51%
Total or Mean	(595.1)	51.11	5.79	11.3%	56.90	12.06		3.14%
Unweighted Average		49.53	5.43	11.0%	54.96	11.31		3.04%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(8.9)	59.44	3.04	5.1%	62.48	6.32	
Island Tel	(2.2)	46.10	1.94	4.2%	48.04	4.05	73.9%
MT&T	(20.6)	44.58	2.54	5.7%	47.12	5.29	72.0%
NBTel	(16.3)	59.85	2.77	4.6%	62.62	5.78	84.6%
Bell	(347.7)	51.91	2.65	5.1%	54.55	5.52	86.9%
Manitoba Tel	(17.5)	34.34	1.55	4.5%	35.89	3.23	
SaskTel	(28.8)	39.61	2.88	7.3%	42.49	6.01	
AGT	(67.4)	51.28	3.57	7.0%	54.85	7.44	82.1%
B.C. Tel	(85.8)	58.65	3.22	5.5%	61.87	6.70	86.0%
Total or Mean	(595.1)	51.11	2.77	5.4%	53.88	5.76	
Unweighted Average		49.53	2.68	5.4%	52.21	5.59	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER		
Geographic Areas of Competition:	All Canada		
Rate Structure:	REBALANCED RATES		
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.	
Market Lost to Competition:	-10.0%		
		Competing rates discounted by	48.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (¢/min)
Nfld Tel	(8.9)	17.90	1.79	10.0%	19.69	3.74		7.60
Island Tel	(2.2)	15.38	1.34	8.7%	16.72	2.80	79.6%	5.52
MT&T	(20.6)	17.22	1.86	10.8%	19.08	3.87	80.2%	7.01
NBTel	(16.3)	16.94	1.87	11.0%	18.80	3.89	81.6%	5.40
Bell	(347.7)	15.36	1.71	11.1%	17.06	3.55	78.2%	6.09
Manitoba Tel	(17.5)	11.72	1.01	8.6%	12.72	2.10		3.49
SaskTel	(28.8)	14.08	1.90	13.5%	15.99	3.97		5.94
AGT	(67.4)	18.46	2.33	12.6%	20.79	4.86	79.3%	8.16
B.C. Tel	(85.8)	17.03	2.02	11.8%	19.05	4.20	80.9%	7.19
Total or Mean	(595.1)	15.72	1.78	11.3%	17.50	3.70		5.90
Unweighted Average		16.01	1.76	11.0%	17.77	3.66		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(8.9)	17.90	3.04	17.0%	20.94	6.32	
Island Tel	(2.2)	15.38	1.94	12.6%	17.33	4.05	77.3%
MT&T	(20.6)	17.22	2.54	14.7%	19.76	5.29	78.0%
NBTel	(16.3)	16.94	2.77	16.4%	19.71	5.78	76.6%
Bell	(347.7)	15.36	2.65	17.2%	18.01	5.52	74.1%
Manitoba Tel	(17.5)	11.72	1.55	13.2%	13.27	3.23	
SaskTel	(28.8)	14.08	2.88	20.5%	16.97	6.01	
AGT	(67.4)	18.46	3.57	19.4%	22.03	7.44	75.5%
B.C. Tel	(85.8)	17.03	3.22	18.9%	20.25	6.70	77.8%
Total or Mean	(595.1)	15.72	2.75	17.5%	18.47	5.73	
Unweighted Average		16.01	2.68	16.8%	18.69	5.59	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER		
Geographic Areas of Competition:	All Canada		
Rate Structure:	REBALANCED RATES		
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.	
Market Lost to Competition:	-10.0%		
		Competing rates discounted by	48.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(3.1)	33.13	4.17	12.6%	37.30	8.70	69.7%	3.48%
Quebec-Tel	(10.8)	32.51	5.23	16.1%	37.74	10.90		3.42%
Telebec	(5.9)	42.42	3.41	8.0%	45.83	7.10		2.82%
Northern Tel	(1.9)	30.45	2.75	9.0%	33.21	5.74		3.89%
Thunder Bay	(1.0)	12.11	0.68	5.7%	12.79	1.43		2.30%
'edmonton tel'	(8.4)	20.51	1.45	7.0%	21.96	3.01		2.33%
Prince Rupert	(0.1)	20.65	0.84	4.1%	21.49	1.76		2.67%
NorthwesTel	(4.4)	29.58	4.25	14.4%	33.83	8.85		3.32%
Total or Mean	(35.6)	24.19	2.29	9.5%	26.48	4.77		3.58%
Unweighted Average		27.67	2.85	10.3%	30.52	5.94		3.03%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(3.1)	33.13	1.99	6.0%	35.12	4.14	72.4%
Quebec-Tel	(10.8)	32.51	2.59	8.0%	35.10	5.40	
Telebec	(5.9)	42.42	1.55	3.6%	43.97	3.22	
Northern Tel	(1.9)	30.45	1.51	4.9%	31.96	3.14	
Thunder Bay	(1.0)	12.11	0.46	3.8%	12.56	0.95	
'edmonton tel'	(8.4)	20.51	0.94	4.6%	21.46	1.97	
Prince Rupert	(0.1)	20.65	0.47	2.3%	21.11	0.97	
NorthwesTel	(4.4)	29.58	3.24	10.9%	32.81	6.74	
Total or Mean	(35.6)	24.19	1.34	5.5%	25.53	2.79	
Unweighted Average		27.67	1.59	5.8%	29.26	3.32	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates
discounted by 48.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE			BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)			
Terra Nova Tel	(3.1)	13.28	1.67	12.6%	14.96	3.49	88.9%	10.08
Quebec-Tel	(10.8)	12.21	1.97	16.1%	14.18	4.10		8.74
Telebec	(5.9)	14.74	1.18	8.0%	15.92	2.47		5.26
Northern Tel	(1.9)	11.50	1.04	9.0%	12.54	2.17		6.66
Thunder Bay	(1.0)	5.13	0.29	5.7%	5.42	0.60		3.53
'edmonton tel'	(8.4)	6.96	0.49	7.0%	7.45	1.02		3.33
Prince Rupert	(0.1)	8.93	0.36	4.1%	9.29	0.76		2.65
NorthwesTel	(4.4)	14.79	2.12	14.4%	16.91	4.43		9.88
Total or Mean	(35.6)	10.62	1.17	11.0%	11.78	2.43		5.69
Unweighted Average		10.94	1.14	10.4%	12.06	2.38		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(3.1)	13.28	1.99	15.0%	15.27	4.14	88.5%	
Quebec-Tel	(10.8)	12.21	2.59	21.2%	14.81	5.40		
Telebec	(5.9)	14.74	1.55	10.5%	16.29	3.22		
Northern Tel	(1.9)	11.50	1.51	13.1%	13.01	3.14		
Thunder Bay	(1.0)	5.13	0.46	8.9%	5.59	0.95		
'edmonton tel'	(8.4)	6.96	0.94	13.6%	7.90	1.97		
Prince Rupert	(0.1)	8.93	0.47	5.2%	9.39	0.97		
NorthwesTel	(4.4)	14.79	3.24	21.9%	18.02	6.74		
Total or Mean	(35.6)	10.62	1.64	15.5%	12.26	3.42		
Unweighted Average		10.94	1.59	14.5%	12.54	3.32		

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates
discounted by 51.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(17.6)	59.44	11.81	19.9%	71.25	22.93		6.09%
Island Tel	(4.3)	46.10	7.97	17.3%	54.07	15.48	62.7%	6.14%
MT&T	(40.8)	44.58	9.55	21.4%	54.13	18.55	61.0%	6.41%
NBTel	(32.4)	59.65	13.09	21.9%	72.94	25.43	62.7%	6.71%
Bell	(690.0)	51.91	11.44	22.0%	63.35	22.22	73.4%	6.33%
Manitoba Tel	(34.7)	34.34	5.85	17.0%	40.19	11.36		4.15%
SaskTel	(57.2)	39.61	10.65	26.9%	50.26	20.69		6.21%
AGT	(133.8)	51.28	12.85	25.1%	64.13	24.95	64.4%	6.61%
B.C. Tel	(170.3)	58.65	13.78	23.5%	72.43	26.76	71.2%	7.14%
Total or Mean	(1,181.1)	51.11	11.49	22.5%	62.60	22.31		6.37%
Unweighted Average		49.53	10.78	21.8%	60.31	20.93		6.20%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(17.6)	59.44	6.02	10.1%	65.46	11.69	
Island Tel	(4.3)	46.10	3.85	8.4%	49.95	7.48	70.0%
MT&T	(40.8)	44.53	5.04	11.3%	49.62	9.79	67.7%
NBTel	(32.4)	59.85	5.50	9.2%	65.35	10.69	77.8%
Bell	(690.0)	51.91	5.26	10.1%	57.16	10.21	82.6%
Manitoba Tel	(34.7)	34.34	3.07	9.0%	37.41	5.97	
SaskTel	(57.2)	39.61	5.74	14.5%	45.34	11.14	
AGT	(133.8)	51.28	7.09	13.8%	58.37	13.77	74.9%
B.C. Tel	(170.3)	58.65	6.38	10.9%	65.03	12.39	81.2%
Total or Mean	(1,181.1)	51.11	5.49	10.7%	56.60	10.66	
Unweighted Average		49.53	5.33	10.8%	54.86	10.35	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	FACILITY-BASED CARRIER		
Geographic Areas of Competition:	All Canada		
Rate Structure:	REBALANCED RATES		
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.	
Market Lost to Competition:	-20.0%		
		Competing rates discounted by	51.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(17.6)	17.90	3.56	19.9%	21.46	6.90		7.20
Island Tel	(4.3)	15.38	2.66	17.3%	18.04	5.16	75.3%	5.22
MT&T	(40.8)	17.22	3.69	21.4%	20.91	7.16	74.8%	6.66
NBTel	(32.4)	16.94	3.71	21.9%	20.64	7.20	72.7%	5.12
Bell	(690.0)	15.36	3.39	22.0%	18.74	6.57	71.6%	5.77
Manitoba Tel	(34.7)	11.72	2.00	17.0%	13.71	3.88		3.31
SaskTel	(57.2)	14.08	3.79	26.9%	17.87	7.36		5.64
AGT	(133.8)	18.46	4.63	25.1%	23.09	8.98	73.3%	7.74
B.C. Tel	(170.3)	17.03	4.00	23.5%	21.03	7.77	76.3%	6.81
Total or Mean	(1,181.1)	15.72	3.53	22.4%	19.25	6.85		5.59
Unweighted Average		16.01	3.49	21.8%	19.50	6.78		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(17.6)	17.90	6.02	33.6%	23.92	11.69	
Island Tel	(4.3)	15.38	3.85	25.0%	19.23	7.48	71.3%
MT&T	(40.8)	17.22	5.04	29.3%	22.26	9.79	70.0%
NBTel	(32.4)	16.94	5.50	32.5%	22.44	10.69	63.4%
Bell	(690.0)	15.36	5.26	34.2%	20.61	10.21	62.6%
Manitoba Tel	(34.7)	11.72	3.07	26.2%	14.79	5.97	
SaskTel	(57.2)	14.08	5.74	40.7%	19.82	11.14	
AGT	(133.8)	18.46	7.09	38.4%	25.55	13.77	66.9%
B.C. Tel	(170.3)	17.03	6.38	37.5%	23.41	12.39	69.7%
Total or Mean	(1,181.1)	15.72	5.46	34.7%	21.18	10.60	
Unweighted Average		16.01	5.33	33.3%	21.34	10.35	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates
discounted by 51.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(6.1)	33.13	8.30	25.0%	41.43	16.11	64.4%	7.12%
Quebec-Tel	(21.5)	32.51	10.42	32.0%	42.92	20.23		6.95%
Telebec	(11.8)	42.42	6.77	16.0%	49.20	13.15		5.71%
Northern Tel	(3.8)	30.45	5.51	18.1%	35.96	10.70		7.79%
Thunder Bay	(2.0)	12.11	1.37	11.3%	13.48	2.66		4.59%
'edmonton tel'	(16.9)	20.51	2.90	14.2%	23.42	5.64		4.70%
Prince Rupert	(0.3)	20.65	1.69	8.2%	22.33	3.27		5.35%
NorthwesTel	(8.7)	29.58	8.42	28.5%	38.00	16.35		6.78%
Total or Mean	(71.0)	24.19	4.57	18.9%	28.76	8.88		7.25%
Unweighted Average		27.67	5.67	20.5%	33.34	11.01		6.12%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(6.1)	33.13	3.95	11.9%	37.08	7.68	63.7%
Quebec-Tel	(21.5)	32.51	5.16	15.9%	37.67	10.03	
Telebec	(11.8)	42.42	3.08	7.2%	45.50	5.97	
Northern Tel	(3.8)	30.45	3.01	9.9%	33.46	5.85	
Thunder Bay	(2.0)	12.11	0.91	7.5%	13.02	1.77	
'edmonton tel'	(16.9)	20.51	1.90	9.2%	22.41	3.68	
Prince Rupert	(0.3)	20.65	0.93	4.5%	21.58	1.80	
NorthwesTel	(8.7)	29.58	6.41	21.7%	35.99	12.45	
Total or Mean	(71.0)	24.19	2.67	11.0%	26.86	5.19	
Unweighted Average		27.67	3.17	11.5%	30.84	6.15	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: FACILITY-BASED CARRIER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates
discounted by 51.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(6.1)	13.28	3.33	25.0%	16.61	6.46	85.6%	9.58
Quebec-Tel	(21.5)	12.21	3.91	32.0%	16.13	7.60		8.31
Telebec	(11.8)	14.74	2.35	16.0%	17.09	4.57		4.99
Northern Tel	(3.8)	11.50	2.08	18.1%	13.59	4.04		6.36
Thunder Bay	(2.0)	5.13	0.58	11.3%	5.71	1.13		3.37
'edmonton tel'	(16.9)	6.96	0.98	14.2%	7.94	1.91		3.20
Prince Rupert	(0.3)	8.93	0.73	8.2%	9.66	1.42		2.53
NorthwesTel	(8.7)	14.79	4.21	28.5%	19.00	8.18		9.36
Total or Mean	(71.0)	10.62	2.32	21.9%	12.94	4.51		5.42
Unweighted Average		10.94	2.27	20.8%	13.22	4.41		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(6.1)	13.28	3.95	29.8%	17.24	7.68	84.1%
Quebec-Tel	(21.5)	12.21	5.16	42.3%	17.36	10.03	
Telebec	(11.8)	14.74	3.08	20.9%	17.81	5.97	
Northern Tel	(3.8)	11.50	3.01	26.2%	14.52	5.85	
Thunder Bay	(2.0)	5.13	0.91	17.8%	6.05	1.77	
'edmonton tel'	(16.9)	6.96	1.90	27.2%	8.85	3.68	
Prince Rupert	(0.3)	8.93	0.93	10.4%	9.86	1.80	
NorthwesTel	(8.7)	14.79	6.41	43.4%	21.20	12.45	
Total or Mean	(71.0)	10.62	3.28	30.9%	13.89	6.36	
Unweighted Average		10.94	3.17	29.0%	14.11	6.15	

The Financial Impacts of Competition in Public Long Distance Telephone Services on Canada's Telephone Companies

TABLES
(Attachments to Final Report)

II. RESELLER COMPETITION

August 1988

II.

RESELLER COMPETITION

1. STATUS QUO RATES

-	Bell/B.C. Tel only	S(B)
-	Telecom Canada Members	S(T)
-	All Canada	S(A)

2. REBALANCED RATES

-	Bell/B.C. Tel Only	R(B)
-	Telecom Canada Members	R(T)
-	All Canada	R(A)

STATUS QUO RATES

Bell/B.C.Tel Only

S(B)

1. STATUS QUO RATES

Bell/B.C.Tel Only S(B)

SEQUENCE OF TABLES

0% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

10% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

25% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

Maximum rate discount by Competitor
(no contribution payment)
    10% market loss by Telcos
    20% market loss by Telcos

For explanation of Tables, see Pages III-1 to III-7 of the Final Report

TELECOM CANADA MEMBERS

1 of S(B)

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Productivity Improvement: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA		0.00%
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA	0.00%
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA	0.00%
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA	0.00%
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA	0.00%
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA		0.00%
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA		0.00%
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA	0.00%
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA	0.00%
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA		0.00%
Unweighted Average		28.22	0.00	0.0%	28.22	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA	
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA	
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA	
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA	
Unweighted Average		28.22	0.00	0.0%	28.22	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA		NA
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA		NA
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA		NA
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA		NA
Unweighted Average		9.06	0.00	0.0%	9.06	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA	
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA	
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA	
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA	
Unweighted Average		9.06	0.00	0.0%	9.06	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.20 cts/min 17.4% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.7)	37.82	1.16	3.1%	38.98	NA		0.60%
Island Tel	(0.6)	30.36	1.12	3.7%	31.48	NA	NA	0.89%
MT&T	(4.7)	25.60	1.10	4.3%	26.70	NA	NA	0.75%
NBTel	(3.9)	32.22	1.58	4.9%	33.81	NA	NA	0.82%
Bell	(130.7)	35.12	2.17	6.2%	37.29	NA	NA	1.22%
Manitoba Tel	(6.7)	18.19	1.13	6.2%	19.32	NA		0.82%
SaskTel	(7.2)	17.07	1.33	7.8%	18.40	NA		0.79%
AGT	(19.2)	22.85	1.85	8.1%	24.70	NA	NA	0.96%
B.C. Tel	(34.2)	34.72	2.77	8.0%	37.49	NA	NA	1.47%
Total or Mean	(208.9)	31.64	2.04	6.5%	33.68	NA		1.15%
Unweighted Average		28.22	1.58	5.6%	29.80	NA		0.92%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(1.7)	37.82	0.59	1.6%	38.41	NA	
Island Tel	(0.6)	30.36	0.54	1.8%	30.90	NA	NA
MT&T	(4.7)	25.60	0.58	2.3%	26.18	NA	NA
NBTel	(3.9)	32.22	0.67	2.1%	32.89	NA	NA
Bell	(130.7)	35.12	1.00	2.8%	36.12	NA	NA
Manitoba Tel	(6.7)	18.19	0.60	3.3%	18.79	NA	
SaskTel	(7.2)	17.07	0.72	4.2%	17.79	NA	
AGT	(19.2)	22.85	1.02	4.5%	23.87	NA	NA
B.C. Tel	(34.2)	34.72	1.28	3.7%	36.01	NA	NA
Total or Mean	(208.9)	31.64	0.97	3.1%	32.61	NA	
Unweighted Average		28.22	0.78	2.8%	29.00	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.20 cts/min 17.4% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(1.7)	11.39	0.35	3.1%	11.74	NA		NA
Island Tel	(0.6)	10.13	0.37	3.7%	10.51	NA	NA	NA
MT&T	(4.7)	9.89	0.43	4.3%	10.31	NA	NA	NA
NBTel	(3.9)	9.12	0.45	4.9%	9.57	NA	NA	NA
Bell	(130.7)	10.39	0.64	6.2%	11.03	NA	NA	11.88
Manitoba Tel	(6.7)	6.21	0.39	6.2%	6.59	NA		NA
SaskTel	(7.2)	6.07	0.47	7.8%	6.54	NA		NA
AGT	(19.2)	8.23	0.67	8.1%	8.89	NA	NA	NA
B.C. Tel	(34.2)	10.08	0.80	8.0%	10.89	NA	NA	14.50
Total or Mean	(208.9)	9.78	0.63	6.4%	10.40	NA		13.61
Unweighted Average		9.06	0.51	5.6%	9.56	NA		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(1.7)	11.39	0.59	5.2%	11.98	NA	
Island Tel	(0.6)	10.13	0.54	5.3%	10.67	NA	NA
MT&T	(4.7)	9.89	0.58	5.9%	10.47	NA	NA
NBTel	(3.9)	9.12	0.67	7.3%	9.79	NA	NA
Bell	(130.7)	10.39	1.00	9.6%	11.39	NA	NA
Manitoba Tel	(6.7)	6.21	0.60	9.6%	6.80	NA	
SaskTel	(7.2)	6.07	0.72	11.8%	6.79	NA	
AGT	(19.2)	8.23	1.02	12.4%	9.25	NA	NA
B.C. Tel	(34.2)	10.08	1.28	12.7%	11.36	NA	NA
Total or Mean	(208.9)	9.78	0.97	10.0%	10.75	NA	
Unweighted Average		9.06	0.78	8.6%	9.83	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.90 cts/min 18.9% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.4)	37.82	2.26	6.0%	40.08	NA		1.18%
Island Tel	(1.2)	30.36	2.21	7.3%	32.57	NA	NA	1.75%
MT&T	(9.2)	25.60	2.16	8.4%	27.76	NA	NA	1.48%
NBTel	(7.9)	32.22	3.18	9.9%	35.41	NA	NA	1.65%
Bell	(215.7)	35.12	3.58	10.2%	38.70	NA	NA	2.05%
Manitoba Tel	(13.3)	18.19	2.25	12.4%	20.44	NA		1.62%
SaskTel	(14.1)	17.07	2.62	15.3%	19.69	NA		1.55%
AGT	(38.0)	22.85	3.65	16.0%	26.50	NA	NA	1.90%
B.C. Tel	(58.9)	34.72	4.77	13.7%	39.49	NA	NA	2.58%
Total or Mean	(361.7)	31.64	3.53	11.2%	35.17	NA		2.01%
Unweighted Average		28.22	2.96	10.5%	31.18	NA		1.75%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(3.4)	37.82	1.15	3.0%	38.98	NA	
Island Tel	(1.2)	30.36	1.07	3.5%	31.43	NA	NA
MT&T	(9.2)	25.60	1.14	4.5%	26.74	NA	NA
NBTel	(7.9)	32.22	1.34	4.2%	33.56	NA	NA
Bell	(215.7)	35.12	1.64	4.7%	36.77	NA	NA
Manitoba Tel	(13.3)	18.19	1.18	6.5%	19.37	NA	
SaskTel	(14.1)	17.07	1.41	8.3%	18.48	NA	
AGT	(38.0)	22.85	2.01	8.8%	24.87	NA	NA
B.C. Tel	(58.9)	34.72	2.21	6.4%	36.93	NA	NA
Total or Mean	(361.7)	31.64	1.68	5.3%	33.32	NA	
Unweighted Average		28.22	1.46	5.2%	29.68	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.90 cts/min 18.9% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.4)	11.39	0.68	6.0%	12.07	NA		NA
Island Tel	(1.2)	10.13	0.74	7.3%	10.87	NA	NA	NA
MT&T	(9.2)	9.89	0.83	8.4%	10.72	NA	NA	NA
NBTel	(7.9)	9.12	0.90	9.9%	10.02	NA	NA	NA
Bell	(215.7)	10.39	1.06	10.2%	11.45	NA	NA	11.78
Manitoba Tel	(13.3)	6.21	0.77	12.4%	6.97	NA		NA
SaskTel	(14.1)	6.07	0.93	15.3%	7.00	NA		NA
AGT	(38.0)	8.23	1.31	16.0%	9.54	NA	NA	NA
B.C. Tel	(58.9)	10.08	1.39	13.7%	11.47	NA	NA	14.16
Total or Mean	(361.7)	9.78	1.08	11.1%	10.86	NA		13.46
Unweighted Average		9.06	0.96	10.6%	10.01	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(3.4)	11.39	1.15	10.1%	12.54	NA	
Island Tel	(1.2)	10.13	1.07	10.5%	11.20	NA	NA
MT&T	(9.2)	9.89	1.14	11.5%	11.03	NA	NA
NBTel	(7.9)	9.12	1.34	14.7%	10.46	NA	NA
Bell	(215.7)	10.39	1.64	15.8%	12.04	NA	NA
Manitoba Tel	(13.3)	6.21	1.18	19.0%	7.39	NA	
SaskTel	(14.1)	6.07	1.41	23.2%	7.48	NA	
AGT	(38.0)	8.23	2.01	24.5%	10.24	NA	NA
B.C. Tel	(58.9)	10.08	2.21	21.9%	12.29	NA	NA
Total or Mean	(361.7)	9.78	1.68	17.2%	11.45	NA	
Unweighted Average		9.06	1.46	16.1%	10.52	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 5.35 cts/min 12.9% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.7)	37.82	1.16	3.1%	38.98	11.61		0.60%
Island Tel	(0.6)	30.36	1.12	3.7%	31.48	11.21	66.3%	0.89%
MT&T	(4.7)	25.60	1.10	4.3%	26.70	11.01	66.7%	0.75%
NBTel	(3.9)	32.22	1.58	4.9%	33.81	15.85	71.8%	0.82%
Bell	(172.8)	35.12	2.87	8.2%	37.99	28.65	69.2%	1.61%
Manitoba Tel	(6.7)	18.19	1.13	6.2%	19.32	11.33		0.82%
SaskTel	(7.2)	17.07	1.33	7.8%	18.40	13.32		0.79%
AGT	(19.2)	22.85	1.85	8.1%	24.70	18.47	70.2%	0.96%
B.C. Tel	(43.2)	34.72	3.49	10.1%	38.22	34.93	66.5%	1.85%
Total or Mean	(260.0)	31.64	2.55	8.1%	34.19	25.49		1.43%
Unweighted Average		28.22	1.74	6.2%	29.96	17.38		1.01%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(1.7)	37.82	0.59	1.6%	38.41	5.92	
Island Tel	(0.6)	30.36	0.54	1.8%	30.90	5.42	72.3%
MT&T	(4.7)	25.60	0.58	2.3%	26.18	5.81	71.5%
NBTel	(3.9)	32.22	0.67	2.1%	32.89	6.66	83.3%
Bell	(172.8)	35.12	1.32	3.7%	36.44	13.16	80.1%
Manitoba Tel	(6.7)	18.19	0.60	3.3%	18.79	5.95	
SaskTel	(7.2)	17.07	0.72	4.2%	17.79	7.17	
AGT	(19.2)	22.85	1.02	4.5%	23.87	10.20	78.9%
B.C. Tel	(43.2)	34.72	1.62	4.7%	36.34	16.17	78.3%
Total or Mean	(260.0)	31.64	1.20	3.8%	32.84	12.01	
Unweighted Average		28.22	0.85	3.0%	29.07	8.50	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	RESELLER	
Geographic Areas of Competition:	Bell-B.C.Tel Only	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	5.35 cts/min	12.9% of Telco rate.
Market Lost to Competition:	-10.0%	
Productivity Improvement:	0.0%	Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(1.7)	11.39	0.35	3.1%	11.74	3.50		NA
Island Tel	(0.6)	10.13	0.37	3.7%	10.51	3.74	77.9%	NA
MT&T	(4.7)	9.89	0.43	4.3%	10.31	4.25	79.6%	NA
NBTel	(3.9)	9.12	0.45	4.9%	9.57	4.49	80.0%	NA
Bell	(172.8)	10.39	0.85	8.2%	11.24	8.48	66.9%	11.13
Manitoba Tel	(6.7)	6.21	0.39	6.2%	6.59	3.87		NA
SaskTel	(7.2)	6.07	0.47	7.8%	6.54	4.74		NA
AGT	(19.2)	8.23	0.67	8.1%	8.89	6.65	76.7%	NA
B.C. Tel	(43.2)	10.08	1.01	10.1%	11.10	10.14	73.0%	13.96
Total or Mean	(260.0)	9.78	0.78	8.0%	10.56	7.84		12.79
Unweighted Average		9.06	0.55	6.1%	9.61	5.54		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(1.7)	11.39	0.59	5.2%	11.98	5.92	
Island Tel	(0.6)	10.13	0.54	5.3%	10.67	5.42	74.9%
MT&T	(4.7)	9.89	0.58	5.9%	10.47	5.81	77.2%
NBTel	(3.9)	9.12	0.67	7.3%	9.79	6.66	74.1%
Bell	(172.8)	10.39	1.32	12.7%	11.71	13.16	55.4%
Manitoba Tel	(6.7)	6.21	0.60	9.6%	6.80	5.95	
SaskTel	(7.2)	6.07	0.72	11.8%	6.79	7.17	
AGT	(19.2)	8.23	1.02	12.4%	9.25	10.20	71.7%
B.C. Tel	(43.2)	10.08	1.62	16.0%	11.70	16.17	64.3%
Total or Mean	(260.0)	9.78	1.22	12.5%	10.99	12.18	
Unweighted Average		9.06	0.85	9.4%	9.91	8.50	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 6.00 cts/min 14.4% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0%
Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
			($)	(%)				
Nfld Tel	(3.4)	37.82	2.26	6.0%	40.08	22.63		1.18%
Island Tel	(1.2)	30.36	2.21	7.3%	32.57	22.10	58.0%	1.75%
MT&T	(9.2)	25.60	2.16	8.4%	27.76	21.61	59.1%	1.48%
NBTel	(7.9)	32.22	3.18	9.9%	35.41	31.82	57.9%	1.65%
Bell	(300.9)	35.12	4.99	14.2%	40.11	49.89	58.3%	2.85%
Manitoba Tel	(13.3)	18.19	2.25	12.4%	20.44	22.48		1.62%
SaskTel	(14.1)	17.07	2.62	15.3%	19.69	26.17		1.55%
AGT	(38.0)	22.85	3.65	16.0%	26.50	36.49	55.8%	1.90%
B.C. Tel	(76.9)	34.72	6.23	17.9%	40.95	62.26	54.5%	3.36%
Total or Mean	(464.9)	31.64	4.55	14.4%	36.19	45.51		2.58%
Unweighted Average		28.22	3.28	11.6%	31.50	32.83		1.93%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

Nfld Tel	(3.4)	37.82	1.15	3.0%	38.98	11.54	
Island Tel	(1.2)	30.36	1.07	3.5%	31.43	10.68	66.8%
MT&T	(9.2)	25.60	1.14	4.5%	26.74	11.41	66.3%
NBTel	(7.9)	32.22	1.34	4.2%	33.56	13.38	74.5%
Bell	(300.9)	35.12	2.29	6.5%	37.42	22.92	72.9%
Manitoba Tel	(13.3)	18.19	1.18	6.5%	19.37	11.81	
SaskTel	(14.1)	17.07	1.41	8.3%	18.48	14.09	
AGT	(38.0)	22.85	2.01	8.8%	24.87	20.14	68.6%
B.C. Tel	(76.9)	34.72	2.88	8.3%	37.61	28.82	69.9%
Total or Mean	(464.9)	31.64	2.15	6.8%	33.79	21.51	
Unweighted Average		28.22	1.61	5.7%	29.83	16.09	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 6.00 cts/min 14.4% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.4)	11.39	0.68	6.0%	12.07	6.81		NA
Island Tel	(1.2)	10.13	0.74	7.3%	10.87	7.37	71.5%	NA
MT&T	(9.2)	9.89	0.83	8.4%	10.72	8.35	72.7%	NA
NBTel	(7.9)	9.12	0.90	9.9%	10.02	9.01	67.8%	NA
Bell	(300.9)	10.39	1.48	14.2%	11.87	14.76	51.7%	11.05
Manitoba Tel	(13.3)	6.21	0.77	12.4%	6.97	7.67		NA
SaskTel	(14.1)	6.07	0.93	15.3%	7.00	9.31		NA
AGT	(38.0)	8.23	1.31	16.0%	9.54	13.14	67.7%	NA
B.C. Tel	(76.9)	10.08	1.81	17.9%	11.89	18.08	61.6%	13.62
Total or Mean	(464.9)	9.78	1.40	14.3%	11.17	13.99		12.67
Unweighted Average		9.06	1.05	11.6%	10.11	10.50		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(3.4)	11.39	1.15	10.1%	12.54	11.54	
Island Tel	(1.2)	10.13	1.07	10.5%	11.20	10.68	66.0%
MT&T	(9.2)	9.89	1.14	11.5%	11.03	11.41	67.0%
NBTel	(7.9)	9.12	1.34	14.7%	10.46	13.38	56.9%
Bell	(300.9)	10.39	2.29	22.1%	12.68	22.92	36.6%
Manitoba Tel	(13.3)	6.21	1.18	19.0%	7.39	11.81	
SaskTel	(14.1)	6.07	1.41	23.2%	7.48	14.09	
AGT	(38.0)	8.23	2.01	24.5%	10.24	20.14	59.4%
B.C. Tel	(76.9)	10.08	2.88	28.6%	12.97	28.82	48.4%
Total or Mean	(464.9)	9.78	2.17	22.2%	11.95	21.71	
Unweighted Average		9.06	1.61	17.8%	10.66	16.09	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	2.55 cts/min	6.2% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.7)	37.82	1.16	3.1%	38.98	4.64		0.60%
Island Tel	(0.6)	30.36	1.12	3.7%	31.48	4.48	73.4%	0.89%
MT&T	(4.7)	25.60	1.10	4.3%	26.70	4.40	73.0%	0.75%
NBTel	(3.9)	32.22	1.58	4.9%	33.81	6.34	83.7%	0.82%
Bell	(248.9)	35.12	4.13	11.7%	39.25	16.51	77.5%	2.32%
Manitoba Tel	(6.7)	18.19	1.13	6.2%	19.32	4.53		0.82%
SaskTel	(7.2)	17.07	1.33	7.8%	18.40	5.33		0.79%
AGT	(19.2)	22.85	1.85	8.1%	24.70	7.39	82.2%	0.96%
B.C. Tel	(59.3)	34.72	4.80	13.8%	39.52	19.20	76.1%	2.55%
Total or Mean	(352.3)	31.64	3.46	10.9%	35.10	13.85		1.93%
Unweighted Average		28.22	2.02	7.2%	30.24	8.09		1.17%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(1.7)	37.82	0.59	1.6%	38.41	2.37	
Island Tel	(0.6)	30.36	0.54	1.8%	30.90	2.17	76.4%
MT&T	(4.7)	25.60	0.58	2.3%	26.18	2.32	75.4%
NBTel	(3.9)	32.22	0.67	2.1%	32.89	2.66	89.5%
Bell	(248.9)	35.12	1.90	5.4%	37.02	7.58	84.9%
Manitoba Tel	(6.7)	18.19	0.60	3.3%	18.79	2.38	
SaskTel	(7.2)	17.07	0.72	4.2%	17.79	2.87	
AGT	(19.2)	22.85	1.02	4.5%	23.87	4.08	86.3%
B.C. Tel	(59.3)	34.72	2.22	6.4%	36.95	8.89	84.1%
Total or Mean	(352.3)	31.64	1.62	5.1%	33.26	6.49	
Unweighted Average		28.22	0.98	3.5%	29.20	3.92	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	2.55 cts/min	6.2% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(1.7)	11.39	0.35	3.1%	11.74	1.40		NA
Island Tel	(0.6)	10.13	0.37	3.7%	10.51	1.50	81.8%	NA
MT&T	(4.7)	9.89	0.43	4.3%	10.31	1.70	82.7%	NA
NBTel	(3.9)	9.12	0.45	4.9%	9.57	1.79	86.4%	NA
Bell	(248.9)	10.39	1.22	11.7%	11.61	4.88	75.5%	9.94
Manitoba Tel	(6.7)	6.21	0.39	6.2%	6.59	1.55		NA
SaskTel	(7.2)	6.07	0.47	7.8%	6.54	1.89		NA
AGT	(19.2)	8.23	0.67	8.1%	8.89	2.66	82.4%	NA
B.C. Tel	(59.3)	10.08	1.39	13.8%	11.48	5.58	79.2%	13.06
Total or Mean	(352.3)	9.78	1.07	10.9%	10.84	4.27		11.51
Unweighted Average		9.06	0.64	7.0%	9.69	2.55		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

Nfld Tel	(1.7)	11.39	0.59	5.2%	11.98	2.37	
Island Tel	(0.6)	10.13	0.54	5.3%	10.67	2.17	80.7%
MT&T	(4.7)	9.89	0.58	5.9%	10.47	2.32	82.1%
NBTel	(3.9)	9.12	0.67	7.3%	9.79	2.66	84.5%
Bell	(248.9)	10.39	1.90	18.2%	12.29	7.58	69.1%
Manitoba Tel	(6.7)	6.21	0.60	9.6%	6.80	2.38	
SaskTel	(7.2)	6.07	0.72	11.8%	6.79	2.87	
AGT	(19.2)	8.23	1.02	12.4%	9.25	4.08	80.4%
B.C. Tel	(59.3)	10.08	2.22	22.0%	12.31	8.89	74.7%
Total or Mean	(352.3)	9.78	1.66	17.0%	11.44	6.64	
Unweighted Average		9.06	0.98	10.8%	10.04	3.92	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	3.15 cts/min	7.6% of Telco rate.
	Market Lost to Competition:	-20.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.4)	37.82	2.26	6.0%	40.08	9.05		1.18%
Island Tel	(1.2)	30.36	2.21	7.3%	32.57	8.84	68.6%	1.75%
MT&T	(9.2)	25.60	2.16	8.4%	27.76	8.65	68.7%	1.48%
NBTel	(7.9)	32.22	3.18	9.9%	35.41	12.73	75.3%	1.65%
Bell	(452.6)	35.12	7.50	21.4%	42.63	30.02	68.4%	4.29%
Manitoba Tel	(13.3)	18.19	2.25	12.4%	20.44	8.99		1.62%
SaskTel	(14.1)	17.07	2.62	15.3%	19.69	10.47		1.55%
AGT	(38.0)	22.85	3.65	16.0%	26.50	14.60	74.1%	1.90%
B.C. Tel	(109.0)	34.72	8.82	25.4%	43.54	35.28	66.3%	4.76%
Total or Mean	(648.6)	31.64	6.37	20.1%	38.01	25.49		3.60%
Unweighted Average		28.22	3.85	13.6%	32.07	15.40		2.24%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(3.4)	37.82	1.15	3.0%	38.98	4.61	
Island Tel	(1.2)	30.36	1.07	3.5%	31.43	4.27	73.6%
MT&T	(9.2)	25.60	1.14	4.5%	26.74	4.56	72.8%
NBTel	(7.9)	32.22	1.34	4.2%	33.56	5.35	85.2%
Bell	(452.6)	35.12	3.45	9.8%	38.57	13.79	79.6%
Manitoba Tel	(13.3)	18.19	1.18	6.5%	19.37	4.72	
SaskTel	(14.1)	17.07	1.41	8.3%	18.48	5.64	
AGT	(38.0)	22.85	2.01	8.8%	24.87	8.05	81.4%
B.C. Tel	(109.0)	34.72	4.08	11.8%	38.81	16.33	78.2%
Total or Mean	(648.6)	31.64	2.99	9.4%	34.63	11.95	
Unweighted Average		28.22	1.87	6.6%	30.09	7.48	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 3.15 cts/min 7.6% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.4)	11.39	0.68	6.0%	12.07	2.73		NA
Island Tel	(1.2)	10.13	0.74	7.3%	10.87	2.95	79.3%	NA
MT&T	(9.2)	9.89	0.83	8.4%	10.72	3.34	80.9%	NA
NBTel	(7.9)	9.12	0.90	9.9%	10.02	3.60	82.3%	NA
Bell	(452.6)	10.39	2.22	21.4%	12.61	8.88	65.9%	9.90
Manitoba Tel	(13.3)	6.21	0.77	12.4%	6.97	3.07		NA
SaskTel	(14.1)	6.07	0.93	15.3%	7.00	3.72		NA
AGT	(38.0)	8.23	1.31	16.0%	9.54	5.25	78.7%	NA
B.C. Tel	(109.0)	10.08	2.56	25.4%	12.64	10.24	72.8%	12.74
Total or Mean	(648.6)	9.78	1.96	20.1%	11.74	7.86		11.42
Unweighted Average		9.06	1.22	13.4%	10.27	4.87		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(3.4)	11.39	1.15	10.1%	12.54	4.61	
Island Tel	(1.2)	10.13	1.07	10.5%	11.20	4.27	76.9%
MT&T	(9.2)	9.89	1.14	11.5%	11.03	4.56	79.2%
NBTel	(7.9)	9.12	1.34	14.7%	10.46	5.35	77.7%
Bell	(452.6)	10.39	3.45	33.2%	13.84	13.79	53.9%
Manitoba Tel	(13.3)	6.21	1.18	19.0%	7.39	4.72	
SaskTel	(14.1)	6.07	1.41	23.2%	7.48	5.64	
AGT	(38.0)	8.23	2.01	24.5%	10.24	8.05	74.7%
B.C. Tel	(109.0)	10.08	4.08	40.5%	14.17	16.33	64.0%
Total or Mean	(648.6)	9.78	3.05	31.2%	12.83	12.21	
Unweighted Average		9.06	1.87	20.7%	10.93	7.48	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 38.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.7)	37.82	1.16	3.1%	38.98	3.02		0.60%
Island Tel	(0.6)	30.36	1.12	3.7%	31.48	2.91	75.4%	0.89%
MT&T	(4.7)	25.60	1.10	4.3%	26.70	2.86	74.8%	0.75%
NBTel	(3.9)	32.22	1.58	4.9%	33.81	4.12	87.1%	0.82%
Bell	(336.9)	35.12	5.59	15.9%	40.71	14.51	79.0%	3.14%
Manitoba Tel	(6.7)	18.19	1.13	6.2%	19.32	2.94		0.82%
SaskTel	(7.2)	17.07	1.33	7.8%	18.40	3.46		0.79%
AGT	(19.2)	22.85	1.85	8.1%	24.70	4.80	85.4%	0.96%
B.C. Tel	(78.0)	34.72	6.31	18.2%	41.04	16.40	78.2%	3.35%
Total or Mean	(459.0)	31.64	4.52	14.3%	36.16	11.74		2.52%
Unweighted Average		28.22	2.35	8.3%	30.57	6.11		1.35%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(1.7)	37.82	0.59	1.6%	38.41	1.54	
Island Tel	(0.6)	30.36	0.54	1.8%	30.90	1.41	77.5%
MT&T	(4.7)	25.60	0.58	2.3%	26.18	1.51	76.5%
NBTel	(3.9)	32.22	0.67	2.1%	32.89	1.73	91.1%
Bell	(336.9)	35.12	2.57	7.3%	37.69	6.67	85.8%
Manitoba Tel	(6.7)	18.19	0.60	3.3%	18.79	1.55	
SaskTel	(7.2)	17.07	0.72	4.2%	17.79	1.86	
AGT	(19.2)	22.85	1.02	4.5%	23.87	2.65	88.1%
B.C. Tel	(78.0)	34.72	2.92	8.4%	37.65	7.59	85.3%
Total or Mean	(459.0)	31.64	2.11	6.7%	33.75	5.48	
Unweighted Average		28.22	1.13	4.0%	29.35	2.94	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 38.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(1.7)	11.39	0.35	3.1%	11.74	0.91		NA
Island Tel	(0.6)	10.13	0.37	3.7%	10.51	0.97	82.6%	NA
MT&T	(4.7)	9.89	0.43	4.3%	10.31	1.10	83.2%	NA
NBTel	(3.9)	9.12	0.45	4.9%	9.57	1.17	87.5%	NA
Bell	(336.9)	10.39	1.65	15.9%	12.05	4.29	76.8%	8.80
Manitoba Tel	(6.7)	6.21	0.39	6.2%	6.59	1.00		NA
SaskTel	(7.2)	6.07	0.47	7.8%	6.54	1.23		NA
AGT	(19.2)	8.23	0.67	8.1%	8.89	1.73	83.7%	NA
B.C. Tel	(78.0)	10.08	1.83	18.2%	11.92	4.76	80.2%	12.15
Total or Mean	(459.0)	9.78	1.40	14.3%	11.17	3.63		10.26
Unweighted Average		9.06	0.73	8.1%	9.79	1.91		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(1.7)	11.39	0.59	5.2%	11.98	1.54	
Island Tel	(0.6)	10.13	0.54	5.3%	10.67	1.41	81.9%
MT&T	(4.7)	9.89	0.58	5.9%	10.47	1.51	82.9%
NBTel	(3.9)	9.12	0.67	7.3%	9.79	1.73	86.5%
Bell	(336.9)	10.39	2.57	24.7%	12.96	6.67	71.4%
Manitoba Tel	(6.7)	6.21	0.60	9.6%	6.80	1.55	
SaskTel	(7.2)	6.07	0.72	11.8%	6.79	1.86	
AGT	(19.2)	8.23	1.02	12.4%	9.25	2.65	82.4%
B.C. Tel	(78.0)	10.08	2.92	29.0%	13.01	7.59	76.6%
Total or Mean	(459.0)	9.78	2.17	22.2%	11.95	5.64	
Unweighted Average		9.06	1.13	12.5%	10.19	2.94	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 41.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.4)	37.82	2.26	6.0%	40.08	5.45		1.18%
Island Tel	(1.2)	30.36	2.21	7.3%	32.57	5.32	72.4%	1.75%
MT&T	(9.2)	25.60	2.16	8.4%	27.76	5.21	72.1%	1.48%
NBTel	(7.9)	32.22	3.18	9.9%	35.41	7.67	81.8%	1.65%
Bell	(671.9)	35.12	11.14	31.7%	46.26	26.85	70.3%	6.37%
Manitoba Tel	(13.3)	18.19	2.25	12.4%	20.44	5.42		1.62%
SaskTel	(14.1)	17.07	2.62	15.3%	19.69	6.31		1.55%
AGT	(38.0)	22.85	3.65	16.0%	26.50	8.79	80.5%	1.90%
B.C. Tel	(155.3)	34.72	12.57	36.2%	47.29	30.29	69.1%	6.79%
Total or Mean	(914.3)	31.64	9.00	28.5%	40.64	21.69		5.07%
Unweighted Average		28.22	4.67	16.6%	32.89	11.26		2.70%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(3.4)	37.82	1.15	3.0%	38.98	2.78	
Island Tel	(1.2)	30.36	1.07	3.5%	31.43	2.57	75.8%
MT&T	(9.2)	25.60	1.14	4.5%	26.74	2.75	74.9%
NBTel	(7.9)	32.22	1.34	4.2%	33.56	3.22	88.6%
Bell	(671.9)	35.12	5.12	14.6%	40.24	12.33	80.8%
Manitoba Tel	(13.3)	18.19	1.18	6.5%	19.37	2.85	
SaskTel	(14.1)	17.07	1.41	8.3%	18.48	3.40	
AGT	(38.0)	22.85	2.01	8.8%	24.87	4.85	85.3%
B.C. Tel	(155.3)	34.72	5.82	16.8%	40.54	14.02	80.0%
Total or Mean	(914.3)	31.64	4.20	13.3%	35.84	10.12	
Unweighted Average		28.22	2.25	8.0%	30.47	5.42	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0%

Competing rates discounted by 41.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.4)	11.39	0.68	6.0%	12.07	1.64		NA
Island Tel	(1.2)	10.13	0.74	7.3%	10.87	1.78	81.3%	NA
MT&T	(9.2)	9.89	0.83	8.4%	10.72	2.01	82.4%	NA
NBTel	(7.9)	9.12	0.90	9.9%	10.02	2.17	85.6%	NA
Bell	(671.9)	10.39	3.30	31.7%	13.69	7.94	68.3%	8.52
Manitoba Tel	(13.3)	6.21	0.77	12.4%	6.97	1.85		NA
SaskTel	(14.1)	6.07	0.93	15.3%	7.00	2.24		NA
AGT	(38.0)	8.23	1.31	16.0%	9.54	3.17	81.7%	NA
B.C. Tel	(155.3)	10.08	3.65	36.2%	13.73	8.79	74.9%	11.63
Total or Mean	(914.3)	9.78	2.78	28.4%	12.56	6.70		9.91
Unweighted Average		9.06	1.46	16.1%	10.51	3.51		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

Nfld Tel	(3.4)	11.39	1.15	10.1%	12.54	2.78	
Island Tel	(1.2)	10.13	1.07	10.5%	11.20	2.57	80.0%
MT&T	(9.2)	9.89	1.14	11.5%	11.03	2.75	81.6%
NBTel	(7.9)	9.12	1.34	14.7%	10.46	3.22	83.2%
Bell	(671.9)	10.39	5.12	49.3%	15.51	12.33	57.3%
Manitoba Tel	(13.3)	6.21	1.18	19.0%	7.39	2.85	
SaskTel	(14.1)	6.07	1.41	23.2%	7.48	3.40	
AGT	(38.0)	8.23	2.01	24.5%	10.24	4.85	79.3%
B.C. Tel	(155.3)	10.08	5.82	57.7%	15.90	14.02	67.3%
Total or Mean	(914.3)	9.78	4.33	44.3%	14.10	10.43	
Unweighted Average		9.06	2.25	24.8%	11.31	5.42	

STATUS QUO RATES

Telecom Canada Members

S(T)

1. STATUS QUO RATES

Telecom Canada Members S(T)

SEQUENCE OF TABLES

0% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

10% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

25% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

Maximum rate discount by Competitor
(no contribution payment)
    10% market loss by Telcos
    20% market loss by Telcos

For explanation of Tables, see Pages III-1 to III-7 of the Final Report

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA		0.00%
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA	0.00%
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA	0.00%
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA	0.00%
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA	0.00%
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA		0.00%
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA		0.00%
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA	0.00%
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA	0.00%
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA		0.00%
Unweighted Average		28.22	0.00	0.0%	28.22	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA	
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA	
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA	
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA	
Unweighted Average		28.22	0.00	0.0%	28.22	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA		NA
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA		NA
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA		NA
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA		NA
Unweighted Average		9.06	0.00	0.0%	9.06	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA	
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA	
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA	
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA	
Unweighted Average		9.06	0.00	0.0%	9.06	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 10.45 cts/min 23.7% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.9)	37.82	2.60	6.9%	40.42	NA		1.39%
Island Tel	(0.9)	30.36	1.64	5.4%	32.00	NA	NA	1.32%
MT&T	(10.4)	25.60	2.44	9.5%	28.04	NA	NA	1.70%
NBTel	(9.1)	32.22	3.69	11.4%	35.91	NA	NA	1.95%
Bell	(133.1)	35.12	2.21	6.3%	37.33	NA	NA	1.24%
Manitoba Tel	(2.9)	18.19	0.49	2.7%	18.68	NA		0.36%
SaskTel	(14.3)	17.07	2.66	15.6%	19.73	NA		1.61%
AGT	(39.6)	22.85	3.81	16.7%	26.66	NA	NA	2.03%
B.C. Tel	(37.0)	34.72	2.99	8.6%	37.72	NA	NA	1.60%
Total or Mean	(251.2)	31.64	2.43	7.7%	34.07	NA		1.39%
Unweighted Average		28.22	2.50	8.9%	30.72	NA		1.47%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(3.9)	37.82	1.33	3.5%	39.15	NA	
Island Tel	(0.9)	30.36	0.79	2.6%	31.15	NA	NA
MT&T	(10.4)	25.60	1.29	5.0%	26.89	NA	NA
NBTel	(9.1)	32.22	1.55	4.8%	33.77	NA	NA
Bell	(133.1)	35.12	1.01	2.9%	36.14	NA	NA
Manitoba Tel	(2.9)	18.19	0.26	1.4%	18.45	NA	
SaskTel	(14.3)	17.07	1.43	8.4%	18.50	NA	
AGT	(39.6)	22.85	2.10	9.2%	24.96	NA	NA
B.C. Tel	(37.0)	34.72	1.39	4.0%	36.11	NA	NA
Total or Mean	(251.2)	31.64	1.17	3.7%	32.81	NA	
Unweighted Average		28.22	1.24	4.4%	29.46	NA	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	MIXED	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	10.45 cts/min	23.7% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.9)	11.39	0.78	6.9%	12.17	NA		18.14
Island Tel	(0.9)	10.13	0.55	5.4%	10.68	NA	NA	15.48
MT&T	(10.4)	9.89	0.94	9.5%	10.83	NA	NA	18.06
NBTel	(9.1)	9.12	1.04	11.4%	10.16	NA	NA	16.79
Bell	(133.1)	10.39	0.65	6.3%	11.04	NA	NA	14.90
Manitoba Tel	(2.9)	6.21	0.17	2.7%	6.37	NA		11.64
SaskTel	(14.3)	6.07	0.95	15.6%	7.02	NA		16.44
AGT	(39.6)	8.23	1.37	16.7%	9.60	NA	NA	21.60
B.C. Tel	(37.0)	10.08	0.87	8.6%	10.95	NA	NA	16.76
Total or Mean	(251.2)	9.78	0.75	7.6%	10.52	NA		15.72
Unweighted Average		9.06	0.81	9.0%	9.87	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(3.9)	11.39	1.33	11.6%	12.72	NA	
Island Tel	(0.9)	10.13	0.79	7.8%	10.92	NA	NA
MT&T	(10.4)	9.89	1.29	13.0%	11.17	NA	NA
NBTel	(9.1)	9.12	1.55	17.0%	10.67	NA	NA
Bell	(133.1)	10.39	1.01	9.8%	11.41	NA	NA
Manitoba Tel	(2.9)	6.21	0.26	4.2%	6.46	NA	
SaskTel	(14.3)	6.07	1.43	23.6%	7.50	NA	
AGT	(39.6)	8.23	2.10	25.5%	10.33	NA	NA
B.C. Tel	(37.0)	10.08	1.39	13.7%	11.47	NA	NA
Total or Mean	(251.2)	9.78	1.15	11.8%	10.93	NA	
Unweighted Average		9.06	1.24	13.7%	10.29	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 11.30 cts/min 25.7% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(6.4)	37.82	4.29	11.4%	42.12	NA		2.34%
Island Tel	(1.4)	30.36	2.58	8.5%	32.94	NA	NA	2.13%
MT&T	(17.8)	25.60	4.16	16.3%	29.76	NA	NA	2.98%
NBTel	(15.9)	32.22	6.42	19.9%	38.64	NA	NA	3.47%
Bell	(207.6)	35.12	3.44	9.8%	38.57	NA	NA	1.97%
Manitoba Tel	(1.9)	18.19	0.32	1.8%	18.52	NA		0.24%
SaskTel	(24.4)	17.07	4.55	26.6%	21.62	NA		2.81%
AGT	(70.0)	22.85	6.72	29.4%	29.58	NA	NA	3.68%
B.C. Tel	(60.4)	34.72	4.89	14.1%	39.61	NA	NA	2.66%
Total or Mean	(405.9)	31.64	3.93	12.4%	35.57	NA		2.29%
Unweighted Average		28.22	4.15	14.7%	32.37	NA		2 48%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(6.4)	37.82	2.19	5.8%	40.01	NA	
Island Tel	(1.4)	30.36	1.25	4.1%	31.61	NA	NA
MT&T	(17.8)	25.60	2.20	8.6%	27.80	NA	NA
NBTel	(15.9)	32.22	2.70	8.4%	34.92	NA	NA
Bell	(207.6)	35.12	1.58	4.5%	36.71	NA	NA
Manitoba Tel	(1 9)	18.19	0.17	0.9%	18.36	NA	
SaskTel	(24.4)	17.07	2.45	14.3%	19.52	NA	
AGT	(70.0)	22.85	3.71	16.2%	26.56	NA	NA
B.C. Tel	(60.4)	34.72	2.26	6.5%	36.99	NA	NA
Total or Mean	(405 9)	31.64	1.90	6.0%	33.53	NA	
Unweighted Average		28.22	2.06	7.3%	30.27	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 11.30 cts/min 25.7% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(6.4)	11.39	1.29	11.4%	12.68	NA		17.65
Island Tel	(1.4)	10.13	0.86	8.5%	10.99	NA	NA	15.25
MT&T	(17.8)	9.89	1.61	16.3%	11.50	NA	NA	17.80
NBTel	(15.9)	9.12	1.82	19.9%	10.94	NA	NA	16.81
Bell	(207.6)	10.39	1.02	9.8%	11.41	NA	NA	14.77
Manitoba Tel	(1.9)	6.21	0.11	1.8%	6.32	NA		11.69
SaskTel	(24.4)	6.07	1.62	26.6%	7.69	NA		16.41
AGT	(70.0)	8.23	2.42	29.4%	10.65	NA	NA	21.15
B.C. Tel	(60.4)	10.08	1.42	14.1%	11.50	NA	NA	16.45
Total or Mean	(405.9)	9.78	1.20	12.3%	10.98	NA		15.56
Unweighted Average		9.06	1.35	14.9%	10.41	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(6.4)	11.39	2.19	19.2%	13.58	NA	
Island Tel	(1.4)	10.13	1.25	12.3%	11.38	NA	NA
MT&T	(17.8)	9.89	2.20	22.2%	12.09	NA	NA
NBTel	(15.9)	9.12	2.70	29.6%	11.82	NA	NA
Bell	(207.6)	10.39	1.58	15.2%	11.97	NA	NA
Manitoba Tel	(1.9)	6.21	0.17	2.7%	6.38	NA	
SaskTel	(24.4)	6.07	2.45	40.3%	8.52	NA	
AGT	(70.0)	8.23	3.71	45.1%	11.94	NA	NA
B.C. Tel	(60.4)	10.08	2.26	22.4%	12.35	NA	NA
Total or Mean	(405.9)	9.78	1.86	19.0%	11.63	NA	
Unweighted Average		9.06	2.06	22.7%	11.11	NA	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	MIXED	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	8.51 cts/min	19.3% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(4.8)	37.82	3.25	8.6%	41.07	32.52		1.73%
Island Tel	(1.1)	30.36	2.13	7.0%	32.49	21.31	58.5%	1.72%
MT&T	(12.6)	25.60	2.96	11.5%	28.56	29.56	54.6%	2.07%
NBTel	(10.8)	32.22	4.38	13.6%	36.61	43.81	50.5%	2.32%
Bell	(172.7)	35.12	2.86	8.2%	37.99	28.63	69.2%	1.61%
Manitoba Tel	(5.8)	18.19	0.98	5.4%	19.17	9.81		0.72%
SaskTel	(17.4)	17.07	3.25	19.0%	20.32	32.47		1.96%
AGT	(46.4)	22.85	4.46	19.5%	27.32	44.60	50.9%	2.38%
B.C. Tel	(46.7)	34.72	3.78	10.9%	38.50	37.76	65.0%	2.01%
Total or Mean	(318.5)	31.64	3.09	9.8%	34.73	30.89		1.76%
Unweighted Average		28.22	3.12	11.0%	31.34	31.16		1.84%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(4.8)	37.82	1.66	4.4%	39.48	16.57	
Island Tel	(1.1)	30.36	1.03	3.4%	31.39	10.30	67.2%
MT&T	(12.6)	25.60	1.56	6.1%	27.16	15.60	63.1%
NBTel	(10.8)	32.22	1.84	5.7%	34.07	18.42	69.1%
Bell	(172.7)	35.12	1.32	3.7%	36.44	13.16	80.1%
Manitoba Tel	(5.8)	18.19	0.52	2.8%	18.71	5.15	
SaskTel	(17.4)	17.07	1.75	10.2%	18.82	17.48	
AGT	(46.4)	22.85	2.46	10.8%	25.32	24.62	64.6%
B.C. Tel	(46.7)	34.72	1.75	5.0%	36.47	17.48	77.4%
Total or Mean	(318.5)	31.64	1.48	4.7%	33.12	14.85	
Unweighted Average		28.22	1.54	5.5%	29.76	15.42	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 8.51 cts/min 19.3% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(4.8)	11.39	0.98	8.6%	12.37	9.79		17.49
Island Tel	(1.1)	10.13	0.71	7.0%	10.84	7.11	71.9%	14.61
MT&T	(12.6)	9.89	1.14	11.5%	11.03	11.42	67.0%	17.13
NBTel	(10.8)	9.12	1.24	13.6%	10.36	12.40	59.1%	15.54
Bell	(172.7)	10.39	0.85	8.2%	11.24	8.47	66.9%	13.90
Manitoba Tel	(5.8)	6.21	0.33	5.4%	6.54	3.35		10.73
SaskTel	(17.4)	6.07	1.15	19.0%	7.22	11.54		15.33
AGT	(46.4)	8.23	1.61	19.5%	9.83	16.06	64.1%	20.72
B.C. Tel	(46.7)	10.08	1.10	10.9%	11.18	10.96	71.8%	15.94
Total or Mean	(318.5)	9.78	0.95	9.7%	10.72	9.46		14.75
Unweighted Average		9.06	1.01	11.2%	10.07	10.12		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(4.8)	11.39	1.66	14.6%	13.05	16.57	
Island Tel	(1.1)	10.13	1.03	10.2%	11.16	10.30	66.6%
MT&T	(12.6)	9.89	1.56	15.8%	11.45	15.60	59.3%
NBTel	(10.8)	9.12	1.84	20.2%	10.96	18.42	46.6%
Bell	(172.7)	10.39	1.32	12.7%	11.71	13.16	55.4%
Manitoba Tel	(5.8)	6.21	0.52	8.3%	6.72	5.15	
SaskTel	(17.4)	6.07	1.75	28.8%	7.82	17.48	
AGT	(46.4)	8.23	2.46	29.9%	10.69	24.62	54.9%
B.C. Tel	(46.7)	10.08	1.75	17.3%	11.83	17.48	62.4%
Total or Mean	(318.5)	9.78	1.46	15.0%	11.24	14.63	
Unweighted Average		9.06	1.54	17.0%	10.60	15.42	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	MIXED
	Geographic Areas of Competition:	Telecom Canada Members
	Rate Structure:	STATUS QUO RATES
	Contribution Charge:	9.29 cts/min 21.1% of Telco rate.
	Market Lost to Competition:	-20.0%
	Productivity Improvement:	0.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
			($)	(%)				
Nfld Tel	(8.4)	37.82	5.61	14.8%	43.43	56.09		3.06%
Island Tel	(1.9)	30.36	3.57	11.8%	33.93	35.69	50.5%	2.94%
MT&T	(22.3)	25.60	5.22	20.4%	30.82	52.17	45.3%	3.73%
NBTel	(19.4)	32.22	7.82	24.3%	40.04	78.19	37.1%	4.23%
Bell	(288.2)	35.12	4.78	13.6%	39.90	47.79	59.2%	2.74%
Manitoba Tel	(7.8)	18.19	1.32	7.2%	19.51	13.16		0.99%
SaskTel	(30.8)	17.07	5.73	33.6%	22.80	57.29		3.54%
AGT	(83.8)	22.85	8.04	35.2%	30.90	80.43	36.3%	4.41%
B.C. Tel	(80.0)	34.72	6.47	18.6%	41.20	64.71	53.6%	3.53%
Total or Mean	(542.4)	31.64	5.26	16.6%	36.89	52.57		3.06%
Unweighted Average		28.22	5.39	19.1%	33.61	53.95		3.24%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(8.4)	37.82	2.86	7.6%	40.68	28.59	
Island Tel	(1.9)	30.36	1.72	5.7%	32.09	17.24	61.4%
MT&T	(22.3)	25.60	2.75	10.8%	28.35	27.53	55.7%
NBTel	(19.4)	32.22	3.29	10.2%	35.51	32.87	57.2%
Bell	(288.2)	35.12	2.20	6.3%	37.32	21.96	73.5%
Manitoba Tel	(7.8)	18.19	0.69	3.8%	18.88	6.91	
SaskTel	(30.8)	17.07	3.08	18.1%	20.15	30.84	
AGT	(83.8)	22.85	4.44	19.4%	27.29	44.39	51.1%
B.C. Tel	(80.0)	34.72	3.00	8.6%	37.72	29.96	69.3%
Total or Mean	(542.4)	31.64	2.53	8.0%	34.17	25.30	
Unweighted Average		28.22	2.67	9.5%	30.89	26.70	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED		
Geographic Areas of Competition:	Telecom Canada Members		
Rate Structure:	STATUS QUO RATES		
Contribution Charge:	9.29 cts/min	21.1% of Telco rate.	
Market Lost to Competition:	-20.0%		
Productivity Improvement:	0.0%	Competing rates discounted by	10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(8.4)	11.39	1.69	14.8%	13.08	16.89		17.03
Island Tel	(1.9)	10.13	1.19	11.8%	11.32	11.91	64.1%	14.40
MT&T	(22.3)	9.89	2.02	20.4%	11.90	20.15	51.7%	16.90
NBTel	(19.4)	9.12	2.21	24.3%	11.33	22.13	40.5%	15.57
Bell	(288.2)	10.39	1.41	13.6%	11.81	14.14	53.1%	13.79
Manitoba Tel	(7.8)	6.21	0.45	7.2%	6.66	4.49		10.78
SaskTel	(30.8)	6.07	2.04	33.6%	8.11	20.37		15.31
AGT	(83.8)	8.23	2.90	35.2%	11.12	28.96	50.9%	20.29
B.C. Tel	(80.0)	10.08	1.88	18.6%	11.96	18.79	60.6%	15.66
Total or Mean	(542.4)	9.78	1.61	16.5%	11.39	16.10		14.61
Unweighted Average		9.06	1.75	19.4%	10.81	17.54		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(8.4)	11.39	2.86	25.1%	14.25	28.59	
Island Tel	(1.9)	10.13	1.72	17.0%	11.86	17.24	56.6%
MT&T	(22.3)	9.89	2.75	27.8%	12.64	27.53	41.4%
NBTel	(19.4)	9.12	3.29	36.0%	12.41	32.87	28.1%
Bell	(288.2)	10.39	2.20	21.1%	12.59	21.96	38.1%
Manitoba Tel	(7.8)	6.21	0.69	11.1%	6.90	6.91	
SaskTel	(30.8)	6.07	3.08	50.8%	9.15	30.84	
AGT	(83.8)	8.23	4.44	53.9%	12.67	44.39	40.1%
B.C. Tel	(80.0)	10.08	3.00	29.7%	13.08	29.96	47.2%
Total or Mean	(542.4)	9.78	2.49	25.4%	12.26	24.87	
Unweighted Average		9.06	2.67	29.5%	11.73	26.70	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 5.63 cts/min 12.8% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
			($)	(%)				
Nfld Tel	(6.5)	37.82	4.38	11.6%	42.20	17.53		2.33%
Island Tel	(1.6)	30.36	2.98	9.8%	33.34	11.93	65.7%	2.41%
MT&T	(16.5)	25.60	3.86	15.1%	29.46	15.45	63.2%	2.70%
NBTel	(13.8)	32.22	5.59	17.3%	37.81	22.35	65.4%	2.96%
Bell	(241.6)	35.12	4.01	11.4%	39.13	16.03	77.8%	2.26%
Manitoba Tel	(10.9)	18.19	1.83	10.1%	20.02	7.34		1.35%
SaskTel	(22.9)	17.07	4.26	25.0%	21.33	17.06		2.57%
AGT	(58.3)	22.85	5.60	24.5%	28.45	22.39	66.6%	2.99%
B.C. Tel	(63.5)	34.72	5.14	14.8%	39.86	20.54	75.2%	2.74%
Total or Mean	(435.7)	31.64	4.23	13.4%	35.87	16.91		2.41%
Unweighted Average		28.22	4.18	14.8%	32.40	16.73		2.48%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(6.5)	37.82	2.23	5.9%	40.06	8.93	
Island Tel	(1.6)	30.36	1.44	4.7%	31.80	5.76	71.9%
MT&T	(16.5)	25.60	2.04	8.0%	27.64	8.15	69.2%
NBTel	(13.8)	32.22	2.35	7.3%	34.57	9.40	79.5%
Bell	(241.6)	35.12	1.84	5.2%	36.96	7.36	85.1%
Manitoba Tel	(10.9)	18.19	0.96	5.3%	19.15	3.85	
SaskTel	(22.9)	17.07	2.30	13.4%	19.36	9.18	
AGT	(58.3)	22.85	3.09	13.5%	25.94	12.36	76.5%
B.C. Tel	(63.5)	34.72	2.38	6.8%	37.10	9.51	83.6%
Total or Mean	(435.7)	31.64	2.03	6.4%	33.67	8.12	
Unweighted Average		28.22	2.07	7.3%	30.29	8.28	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 5.63 cts/min 12.8% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(6.5)	11.39	1.32	11.6%	12.71	5.28		16.38
Island Tel	(1.6)	10.13	1.00	9.8%	11.13	3.98	77.5%	13.22
MT&T	(16.5)	9.89	1.49	15.1%	11.38	5.97	76.9%	15.63
NBTel	(13.8)	9.12	1.58	17.3%	10.70	6.33	75.0%	13.60
Bell	(241.6)	10.39	1.19	11.4%	11.58	4.74	75.8%	12.33
Manitoba Tel	(10.9)	6.21	0.63	10.1%	6.83	2.50		9.32
SaskTel	(22.9)	6.07	1.52	25.0%	7.59	6.06		13.58
AGT	(58.3)	8.23	2.02	24.5%	10.24	8.06	74.6%	19.24
B.C. Tel	(63.5)	10.08	1.49	14.8%	11.57	5.97	78.7%	14.60
Total or Mean	(435.7)	9.78	1.30	13.3%	11.07	5.19		13.22
Unweighted Average		9.06	1.36	15.0%	10.41	5.43		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(6.5)	11.39	2.23	19.6%	13.62	8.93	
Island Tel	(1.6)	10.13	1.44	14.2%	11.57	5.76	74.3%
MT&T	(16.5)	9.89	2.04	20.6%	11.93	8.15	73.1%
NBTel	(13.8)	9.12	2.35	25.8%	11.47	9.40	66.7%
Bell	(241.6)	10.39	1.84	17.7%	12.23	7.36	69.7%
Manitoba Tel	(10.9)	6.21	0.96	15.5%	7.17	3.85	
SaskTel	(22.9)	6.07	2.30	37.8%	8.36	9.18	
AGT	(58.3)	8.23	3.09	37.5%	11.32	12.36	68.8%
B.C. Tel	(63.5)	10.08	2.38	23.6%	12.46	9.51	73.9%
Total or Mean	(435.7)	9.78	2.00	20.5%	11.78	8.02	
Unweighted Average		9.06	2.07	22.9%	11.13	8.28	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 6.35 cts/min 14.4% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(11.7)	37.82	7.84	20.7%	45.66	31.35		4.28%
Island Tel	(2.8)	30.36	5.25	17.3%	35.61	21.00	58.7%	4.33%
MT&T	(29.9)	25.60	7.00	27.4%	32.60	28.01	55.4%	5.01%
NBTel	(25.2)	32.22	10.20	31.7%	42.42	40.80	52.2%	5.51%
Bell	(424.9)	35.12	7.05	20.1%	42.17	28.18	69.5%	4.04%
Manitoba Tel	(17.8)	18.19	3.00	16.5%	21.19	11.99		2.26%
SaskTel	(41.5)	17.07	7.73	45.3%	24.80	30.94		4.78%
AGT	(107.1)	22.85	10.29	45.0%	33.14	41.15	52.9%	5.64%
B.C. Tel	(113.1)	34.72	9.15	26.4%	43.88	36.62	65.6%	4.99%
Total or Mean	(774.1)	31.64	7.51	23.7%	39.15	30.04		4.37%
Unweighted Average		28.22	7.50	26.6%	35.72	30.00		4.54%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(11.7)	37.82	3.99	10.6%	41.82	15.98	
Island Tel	(2.8)	30.36	2.54	8.4%	32.90	10.14	67.3%
MT&T	(29.9)	25.60	3.70	14.4%	29.30	14.78	63.7%
NBTel	(25.2)	32.22	4.29	13.3%	36.51	17.15	70.4%
Bell	(424.9)	35.12	3.24	9.2%	38.36	12.95	80.3%
Manitoba Tel	(17.8)	18.19	1.57	8.7%	19.77	6.30	
SaskTel	(41.5)	17.07	4.16	24.4%	21.23	16.65	
AGT	(107.1)	22.85	5.68	24.8%	28.53	22.71	66.3%
B.C. Tel	(113.1)	34.72	4.24	12.2%	38.96	16.95	77.7%
Total or Mean	(774.1)	31.64	3.61	11.4%	35.24	14.43	
Unweighted Average		28.22	3.71	13.2%	31.93	14.85	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	MIXED	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	6.35 cts/min	14.4% of Telco rate.
	Market Lost to Competition:	-20.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(11.7)	11.39	2.36	20.7%	13.75	9.44		15.96
Island Tel	(2.8)	10.13	1.75	17.3%	11.88	7.01	72.1%	13.03
MT&T	(23.9)	9.89	2.70	27.4%	12.59	10.82	68.1%	15.42
NBTel	(25.2)	9.12	2.89	31.7%	12.01	11.55	61.2%	13.62
Bell	(424.9)	10.39	2.08	20.1%	12.48	8.34	67.3%	12.24
Manitoba Tel	(17.8)	6.21	1.02	16.5%	7.23	4.09		9.36
SaskTel	(41.5)	6.07	2.75	45.3%	8.82	11.00		13.56
AGT	(107.1)	8.23	3.70	45.0%	11.93	14.81	65.6%	18.85
B.C. Tel	(113.1)	10.08	2.66	26.4%	12.74	10.63	72.2%	14.35
Total or Mean	(774.1)	9.78	2.30	23.5%	12.08	9.21		13.09
Unweighted Average		9.06	2.44	26.9%	11.49	9.74		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(11.7)	11.39	3.99	35.1%	15.38	15.98	
Island Tel	(2.8)	10.13	2.54	25.0%	12.67	10.14	66.8%
MT&T	(29.9)	9.89	3.70	37.4%	13.58	14.78	60.8%
NBTel	(25.2)	9.12	4.29	47.0%	13.41	17.15	48.9%
Bell	(424.9)	10.39	3.24	31.1%	13.63	12.95	55.9%
Manitoba Tel	(17.8)	6.21	1.57	25.4%	7.78	6.30	
SaskTel	(41.5)	6.07	4.16	68.6%	10.23	16.65	
AGT	(107.1)	8.23	5.68	69.0%	13.90	22.71	56.7%
B.C. Tel	(113.1)	10.08	4.24	42.0%	14.32	16.95	63.2%
Total or Mean	(774.1)	9.78	3.56	36.4%	13.33	14.24	
Unweighted Average		9.06	3.71	41.0%	12.77	14.85	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 54.90%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(11.4)	37.82	7.68	20.3%	45.50	13.99		4.09%
Island Tel	(2.9)	30.36	5.47	18.0%	35.83	9.96	67.5%	4.42%
MT&T	(27.8)	25.60	6.50	25.4%	32.10	11.85	66.0%	4.55%
NBTel	(22.6)	32.22	9.11	28.3%	41.34	16.60	71.0%	4.83%
Bell	(442.9)	35.12	7.34	20.9%	42.47	13.38	79.9%	4.14%
Manitoba Tel	(25.6)	18.19	4.32	23.8%	22.51	7.87		3.18%
SaskTel	(38.8)	17.07	7.23	42.4%	24.30	13.17		4.37%
AGT	(92.9)	22.85	8.92	39.0%	31.77	16.25	72.4%	4.76%
B.C. Tel	(112.5)	34.72	9.11	26.2%	43.83	16.59	78.0%	4.86%
Total or Mean	(777.5)	31.64	7.56	23.9%	39.19	13.76		4.30%
Unweighted Average		28.22	7.30	25.9%	35.52	13.30		4.35%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(11.4)	37.82	3.92	10.4%	41.74	7.13	
Island Tel	(2.9)	30.36	2.64	8.7%	33.00	4.81	73.0%
MT&T	(27.8)	25.60	3.43	13.4%	29.03	6.25	71.0%
NBTel	(22.6)	32.22	3.83	11.9%	36.06	6.98	82.8%
Bell	(442.9)	35.12	3.37	9.6%	38.50	6.15	86.3%
Manitoba Tel	(25.6)	18.19	2.27	12.5%	20.46	4.14	
SaskTel	(38.8)	17.07	3.89	22.8%	20.96	7.09	
AGT	(92.9)	22.85	4.92	21.5%	27.78	8.97	80.3%
B.C. Tel	(112.5)	34.72	4.22	12.1%	38.94	7.68	85.2%
Total or Mean	(777.5)	31.64	3.62	11.4%	35.25	6.59	
Unweighted Average		28.22	3.61	12.8%	31.83	6.58	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 54.90%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(11.4)	11.39	2.31	20.3%	13.70	4.21		13.54
Island Tel	(2.9)	10.13	1.83	18.0%	11.96	3.32	78.6%	10.00
MT&T	(27.8)	9.89	2.51	25.4%	12.40	4.58	79.1%	12.11
NBTel	(22.6)	9.12	2.58	28.3%	11.70	4.70	79.5%	9.34
Bell	(442.9)	10.39	2.17	20.9%	12.56	3.96	77.4%	8.83
Manitoba Tel	(25.6)	6.21	1.47	23.8%	7.68	2.69		6.25
SaskTel	(38.8)	6.07	2.57	42.4%	8.64	4.68		9.69
AGT	(92.9)	8.23	3.21	39.0%	11.44	5.85	77.8%	15.57
B.C. Tel	(112.5)	10.08	2.64	26.2%	12.73	4.82	80.2%	11.43
Total or Mean	(777.5)	9.78	2.32	23.7%	12.09	4.22		9.73
Unweighted Average		9.06	2.37	26.1%	11.42	4.31		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(11.4)	11.39	3.92	34.4%	15.30	7.13	
Island Tel	(2.9)	10.13	2.64	26.1%	12.77	4.81	76.0%
MT&T	(27.8)	9.89	3.43	34.7%	13.32	6.25	76.4%
NBTel	(22.6)	9.12	3.83	42.0%	12.95	6.98	73.3%
Bell	(442.9)	10.39	3.37	32.5%	13.77	6.15	72.6%
Manitoba Tel	(25.6)	6.21	2.27	36.6%	8.48	4.14	
SaskTel	(38.8)	6.07	3.89	64.2%	9.96	7.09	
AGT	(92.9)	8.23	4.92	59.8%	13.15	8.97	73.4%
B.C. Tel	(112.5)	10.08	4.22	41.8%	14.30	7.68	76.4%
Total or Mean	(777.5)	9.78	3.59	36.7%	13.36	6.53	
Unweighted Average		9.06	3.61	39.9%	12.67	6.58	

TELECOM CANADA MEMBERS

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INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 57.80%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(22.8)	37.82	15.28	40.4%	53.10	26.43		8.34%
Island Tel	(5.8)	30.36	10.36	35.8%	41.22	18.79	60.3%	8.95%
MT&T	(55.4)	25.60	12.96	50.6%	38.56	22.43	58.6%	9.27%
NBTel	(44.9)	32.22	18.15	56.3%	50.37	31.40	58.2%	9.81%
Bell	(881.3)	35.12	14.61	41.6%	49.74	25.28	71.3%	8.38%
Manitoba Tel	(51.1)	18.19	8.61	47.3%	26.80	14.90		6.49%
SaskTel	(77.5)	17.07	14.43	84.5%	31.50	24.97		8.91%
AGT	(185.1)	22.85	17.78	77.8%	40.63	30.76	59.8%	9.74%
B.C. Tel	(223.8)	34.72	18.11	52.2%	52.84	31.34	68.5%	9.67%
Total or Mean	(1,547.8)	31.64	15.04	47.5%	46.68	26.02		8.73%
Unweighted Average		28.22	14.53	51.5%	42.75	25.14		8.86%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(22.8)	37.82	7.79	20.6%	45.61	13.47	
Island Tel	(5.8)	30.36	5.25	17.3%	35.61	9.08	68.4%
MT&T	(55.4)	25.60	6.84	26.7%	32.44	11.84	66.0%
NBTel	(44.9)	32.22	7.63	23.7%	39.85	13.20	74.7%
Bell	(881.3)	35.12	6.71	19.1%	41.84	11.62	81.4%
Manitoba Tel	(51.1)	18.19	4.52	24.9%	22.71	7.83	
SaskTel	(77.5)	17.07	7.77	45.5%	24.84	13.44	
AGT	(185.1)	22.85	9.81	42.9%	32.67	16.97	71.6%
B.C. Tel	(223.8)	34.72	8.39	24.1%	43.11	14.51	79.6%
Total or Mean	(1,547.8)	31.64	7.20	22.8%	38.84	12.46	
Unweighted Average		28.22	7.19	25.5%	35.41	12.44	

TELECOM CANADA MEMBERS

INPUTS:			
Competitive MTS/WATS Providers:	MIXED		
Geographic Areas of Competition:	Telecom Canada Members		
Rate Structure:	STATUS QUO RATES		
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.	
Market Lost to Competition:	-20.0%		
Productivity Improvement:	0.0%	Competing rates discounted by	57.80%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(22.8)	11.39	4.60	40.4%	15.99	7.96		12.89
Island Tel	(5.8)	10.13	3.62	35.8%	13.75	6.27	73.4%	9.50
MT&T	(55.4)	9.89	5.01	50.6%	14.90	8.66	72.1%	11.56
NBTel	(44.9)	9.12	5.14	56.3%	14.26	8.89	68.1%	8.90
Bell	(881.3)	10.39	4.32	41.6%	14.72	7.48	69.4%	8.41
Manitoba Tel	(51.1)	6.21	2.94	47.3%	9.14	5.08		5.96
SaskTel	(77.5)	6.07	5.13	84.5%	11.20	8.88		9.26
AGT	(185.1)	8.23	6.40	77.8%	14.63	11.07	70.5%	14.87
B.C. Tel	(223.8)	10.08	5.26	52.2%	15.34	9.10	74.4%	10.89
Total or Mean	(1,547.8)	9.78	4.61	47.2%	14.39	7.98		9.27
Unweighted Average		9.06	4.71	52.0%	13.77	8.15		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(22.8)	11.39	7.79	68.4%	19.18	13.47	
Island Tel	(5.8)	10.13	5.25	51.8%	15.38	9.08	68.6%
MT&T	(55.4)	9.89	6.84	69.2%	16.73	11.84	66.2%
NBTel	(44.9)	9.12	7.63	83.7%	16.75	13.20	57.3%
Bell	(881.3)	10.39	6.71	64.6%	17.11	11.62	59.1%
Manitoba Tel	(51.1)	6.21	4.52	72.9%	10.73	7.83	
SaskTel	(77.5)	6.07	7.77	128.0%	13.84	13.44	
AGT	(185.1)	8.23	9.81	119.2%	18.04	16.97	63.0%
B.C. Tel	(223.8)	10.08	8.39	83.2%	18.47	14.51	66.6%
Total or Mean	(1,547.8)	9.78	7.14	73.0%	16.91	12.35	
Unweighted Average		9.06	7.19	79.4%	16.25	12.44	

STATUS QUO RATES

All Canada

S(A)

1. STATUS QUO RATES

All Canada

S(A)

SEQUENCE OF TABLES

0% rate discount by Competitor
  - 10% market loss by Telcos
  - 20% market loss by Telcos

10% rate discount by Competitor
  - 10% market loss by Telcos
  - 20% market loss by Telcos

25% rate discount by Competitor
  - 10% market loss by Telcos
  - 20% market loss by Telcos

Maximum rate discount by Competitor
(no contribution payment)
  - 10% market loss by Telcos
  - 20% market loss by Telcos

For explanation of Tables, see Pages III-1 to III-7 of the Final Report

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED	
Geographic Areas of Competition:	All Canada	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
Market Lost to Competition:	0.0%	
		Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA		0.00%
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA	0.00%
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA	0.00%
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA	0.00%
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA	0.00%
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA		0.00%
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA		0.00%
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA	0.00%
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA	0.00%
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA		0.00%
Unweighted Average		28.22	0.00	0.0%	28.22	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA	
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA	
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA	
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA	
Unweighted Average		28.22	0.00	0.0%	28.22	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED	
Geographic Areas of Competition:	All Canada	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
Market Lost to Competition:	0.0%	

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA		NA
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA		NA
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA		NA
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA		NA
Unweighted Average		9.06	0.00	0.0%	9.06	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA	
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA	
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA	
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA	
Unweighted Average		9.06	0.00	0.0%	9.06	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contritution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(0.0)	20.30	0.00	0.0%	20.30	NA	NA	0.00%
Quebec-Tel	0.0	20.34	0.00	0.0%	20.34	NA		0.00%
Telebec	(0.0)	32.05	0.00	0.0%	32.05	NA		0.00%
Northern Tel	0.0	23.75	0.00	0.0%	23.75	NA		0.00%
Thunder Bay	(0.0)	10.93	0.00	0.0%	10.93	NA		0.00%
'edmonton tel'	0.0	19.24	0.00	0.0%	19.24	NA		0.00%
Prince Rupert	(0.0)	19.70	0.00	0.0%	19.70	NA		0.00%
NorthwesTel	(0.0)	12.92	0.00	0.0%	12.92	NA		0.00%
Total or Mean	0.0	19.54	0.00	0.0%	19.54	NA		0.00%
Unweighted Average		19.90	0.00	0.0%	19.90	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(0.0)	20.30	0.00	0.0%	20.30	NA	NA
Quebec-Tel	0.0	20.34	0.00	0.0%	20.34	NA	
Telebec	(0.0)	32.05	0.00	0.0%	32.05	NA	
Northern Tel	0.0	23.75	0.00	0.0%	23.75	NA	
Thunder Bay	(0.0)	10.93	0.00	0.0%	10.93	NA	
'edmonton tel'	0.0	19.24	0.00	0.0%	19.24	NA	
Prince Rupert	(0.0)	19.70	0.00	0.0%	19.70	NA	
NorthwesTel	(0.0)	12.92	0.00	0.0%	12.92	NA	
Total or Mean	0.0	19.54	0.00	0.0%	19.54	NA	
Unweighted Average		19.90	0.00	0.0%	19.90	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS: Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(0.0)	8.14	0.00	0.0%	8.14	NA	NA	NA
Quebec-Tel	0.0	7.64	0.00	0.0%	7.64	NA		NA
Telebec	(0.0)	11.13	0.00	0.0%	11.13	NA		NA
Northern Tel	0.0	8.97	0.00	0.0%	8.97	NA		NA
Thunder Bay	(0.0)	4.63	0.00	0.0%	4.63	NA		NA
'edmonton tel'	0.0	6.94	0.00	0.0%	6.94	NA		NA
Prince Rupert	(0.0)	8.52	0.00	0.0%	8.52	NA		NA
NorthwesTel	(0.0)	6.46	0.00	0.0%	6.46	NA		NA
Total or Mean	0.0	7.97	0.00	0.0%	7.97	NA		NA
Unweighted Average		7.80	0.00	0.0%	7.80	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(0.0)	8.14	0.00	0.0%	8.14	NA	NA
Quebec-Tel	0.0	7.64	0.00	0.0%	7.64	NA	
Telebec	(0.0)	11.13	0.00	0.0%	11.13	NA	
Northern Tel	0.0	8.97	0.00	0.0%	8.97	NA	
Thunder Bay	(0.0)	4.63	0.00	0.0%	4.63	NA	
'edmonton tel'	0.0	6.94	0.00	0.0%	6.94	NA	
Prince Rupert	(0.0)	8.52	0.00	0.0%	8.52	NA	
NorthwesTel	(0.0)	6.46	0.00	0.0%	6.46	NA	
Total or Mean	0.0	7.97	0.00	0.0%	7.97	NA	
Unweighted Average		7.80	0.00	0.0%	7.80	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: {0.93 cts/min 24.5% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates
discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.9)	37.82	2.60	6.9%	40.42	NA		1.39%
Island Tel	(0.9)	30.36	1.61	5.3%	31.98	NA	NA	1.30%
MT&T	(10.3)	25.60	2.42	9.5%	28.02	NA	NA	1.69%
NBTel	(8.9)	32.22	3.60	11.2%	35.82	NA	NA	1.91%
Bell	(128.1)	35.12	2.12	6.0%	37.25	NA	NA	1.20%
Manitoba Tel	(2.6)	18.19	0.43	2.4%	18.62	NA		0.32%
SaskTel	(14.0)	17.07	2.61	15.3%	19.68	NA		1.58%
AGT	(39.2)	22.85	3.77	16.5%	26.62	NA	NA	2.01%
B.C. Tel	(36.1)	34.72	2.92	8.4%	37.64	NA	NA	1.56%
Total or Mean	(244.0)	31.64	2.36	7.5%	34.00	NA		1.35%
Unweighted Average		28.22	2.45	8.7%	30.67	NA		1.44%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(3.9)	37.82	1.33	3.5%	39.15	NA	
Island Tel	(0.9)	30.36	0.78	2.6%	31.14	NA	NA
MT&T	(10.3)	25.60	1.28	5.0%	26.88	NA	NA
NBTel	(8.9)	32.22	1.51	4.7%	33.74	NA	NA
Bell	(128.1)	35.12	0.98	2.8%	36.10	NA	NA
Manitoba Tel	(2.6)	18.19	0.23	1.2%	18.42	NA	
SaskTel	(14.0)	17.07	1.41	8.2%	18.47	NA	
AGT	(39.2)	22.85	2.08	9.1%	24.93	NA	NA
B.C. Tel	(36.1)	34.72	1.35	3.9%	36.08	NA	NA
Total or Mean	(244.0)	31.64	1.14	3.6%	32.78	NA	
Unweighted Average		28.22	1.21	4.3%	29.43	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 10.93 cts/min 24.5% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(3.9)	11.39	0.78	6.9%	12.17	NA		17.73
Island Tel	(0.9)	10.13	0.54	5.3%	10.67	NA	NA	15.88
MT&T	(10.3)	9.89	0.93	9.5%	10.82	NA	NA	18.49
NBTel	(8.9)	9.12	1.02	11.2%	10.14	NA	NA	17.12
Bell	(128.1)	10.39	0.63	6.0%	11.02	NA	NA	15.06
Manitoba Tel	(2.6)	6.21	0.15	2.4%	6.35	NA		11.98
SaskTel	(14.0)	6.07	0.93	15.3%	7.00	NA		16.80
AGT	(39.2)	8.23	1.36	16.5%	9.58	NA	NA	20.65
B.C. Tel	(36.1)	10.08	0.85	8.4%	10.93	NA	NA	17.01
Total or Mean	(244.0)	9.78	0.72	7.4%	10.50	NA		15.57
Unweighted Average		9.06	0.80	8.8%	9.85	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(3.9)	11.39	1.33	11.7%	12.72	NA	
Island Tel	(0.9)	10.13	0.78	7.7%	10.91	NA	NA
MT&T	(10.3)	9.89	1.28	12.9%	11.17	NA	NA
NBTel	(8.9)	9.12	1.51	16.6%	10.63	NA	NA
Bell	(128.1)	10.39	0.98	9.4%	11.37	NA	NA
Manitoba Tel	(2.6)	6.21	0.23	3.7%	6.43	NA	
SaskTel	(14.0)	6.07	1.41	23.2%	7.47	NA	
AGT	(39.2)	8.23	2.08	25.3%	10.31	NA	NA
B.C. Tel	(36.1)	10.08	1.35	13.4%	11.43	NA	NA
Total or Mean	(244.0)	9.78	1.12	11.4%	10.89	NA	
Unweighted Average		9.06	1.21	13.4%	10.27	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers:	MIXED	
Geographic Areas of Competition:	All Canada	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	10.93 cts/min	24.5% of Telco rate.
Market Lost to Competition:	-10.0%	

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(1.1)	20.30	1.54	7.6%	21.84	NA	NA	1.37%
Quebec-Tel	(6.8)	20.34	3.29	16.2%	23.63	NA		2.24%
Telebec	(2.1)	32.05	1.21	3.8%	33.26	NA		1.04%
Northern Tel	(0.6)	23.75	0.84	3.5%	24.59	NA		1.13%
Thunder Bay	0.6	10.93	-0.40	-3.6%	10.53	NA		-1.34%
'edmonton tel'	8.8	19.24	-1.49	-7.8%	17.74	NA		-2.47%
Prince Rupert	0.2	19.70	-0.90	-4.6%	18.80	NA		-2.85%
NorthwesTel	(2.2)	12.92	2.16	16.7%	15.08	NA		1.80%
Total or Mean	(3.2)	19.54	-0.22	-1.1%	19.32	NA		0.34%
Unweighted Average		19.90	0.78	3.9%	20.68	NA		0.12%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(1.1)	20.30	0.73	3.6%	21.03	NA	NA
Quebec-Tel	(6.8)	20.34	1.63	8.0%	21.97	NA	
Telebec	(2.1)	32.05	0.55	1.7%	32.60	NA	
Northern Tel	(0.6)	23.75	0.46	1.9%	24.21	NA	
Thunder Bay	0.6	10.93	-0.26	-2.4%	10.66	NA	
'edmonton tel'	8.8	19.24	-0.99	-5.2%	18.24	NA	
Prince Rupert	0.2	19.70	-0.49	-2.5%	19.20	NA	
NorthwesTel	(2.2)	12.92	1.64	12.7%	14.56	NA	
Total or Mean	(3.2)	19.54	-0.24	-1.2%	19.30	NA	
Unweighted Average		19.90	0.41	2.1%	20.31	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS: Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 10.93 cts/min 24.5% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	--------- RESIDENCE -------- MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(1.1)	8.14	0.62	7.6%	8.76	NA	NA	17.90
Quebec-Tel	(6.8)	7.64	1.24	16.2%	8.88	NA		20.73
Telebec	(2.1)	11.13	0.42	3.8%	11.55	NA		14.25
Northern Tel	(0.6)	8.97	0.32	3.5%	9.29	NA		14.54
Thunder Bay	0.6	4.63	-0.17	-3.6%	4.47	NA		7.02
'edmonton tel'	8.8	6.94	-0.54	-7.8%	6.40	NA		3.44
Prince Rupert	0.2	8.52	-0.39	-4.6%	8.13	NA		6.00
NorthwesTel	(2.2)	6.46	1.08	16.7%	7.54	NA		20.65
Total or Mean	(3.2)	7.97	0.32	4.0%	8.28	NA		11.93
Unweighted Average		7.80	0.32	4.1%	8.13	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(1.1)	8.14	0.73	9.0%	8.87	NA	NA
Quebec-Tel	(6.8)	7.64	1.63	21.3%	9.27	NA	
Telebec	(2.1)	11.13	0.55	4.9%	11.68	NA	
Northern Tel	(0.6)	8.97	0.46	5.1%	9.43	NA	
Thunder Bay	0.6	4.63	-0.26	-5.7%	4.37	NA	
'edmonton tel'	8.8	6.94	-0.99	-14.3%	5.95	NA	
Prince Rupert	0.2	8.52	-0.49	-5.8%	8.02	NA	
NorthwesTel	(2.2)	6.46	1.64	25.5%	8.10	NA	
Total or Mean	(3.2)	7.97	0.32	4.1%	8.29	NA	
Unweighted Average		7.80	0.41	5.2%	8.21	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED	
Geographic Areas of Competition:	All Canada	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	11.66 cts/min	26.0% of Telco rate.
Market Lost to Competition:	-20.0%	
		Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(6.6)	37.82	4.45	11.8%	42.27	NA		2.43%
Island Tel	(1.4)	30.36	2.64	8.7%	33.00	NA	NA	2.18%
MT&T	(18.2)	25.60	4.25	16.6%	29.85	NA	NA	3.04%
NBTel	(15.9)	32.22	6.41	19.9%	38.63	NA	NA	3.46%
Bell	(207.2)	35.12	3.44	9.8%	38.56	NA	NA	1.97%
Manitoba Tel	(1.9)	18.19	0.33	1.8%	18.52	NA		0.25%
SaskTel	(24.6)	17.07	4.58	26.9%	21.65	NA		2.83%
AGT	(70.8)	22.85	6.80	29.7%	29.65	NA	NA	3.72%
B.C. Tel	(60.9)	34.72	4.93	14.2%	39.65	NA	NA	2.68%
Total or Mean	(407.5)	31.64	3.94	12.5%	35.58	NA		2.30%
Unweighted Average		28.22	4.20	14.9%	32.42	NA		2.51%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(6.6)	37.82	2.27	6.0%	40.09	NA	
Island Tel	(1.4)	30.36	1.27	4.2%	31.64	NA	NA
MT&T	(18.2)	25.60	2.24	8.8%	27.84	NA	NA
NBTel	(15.9)	32.22	2.69	8.4%	34.92	NA	NA
Bell	(207.2)	35.12	1.58	4.5%	36.70	NA	NA
Manitoba Tel	(1.9)	18.19	0.17	0.9%	18.36	NA	
SaskTel	(24.6)	17.07	2.47	14.5%	19.54	NA	
AGT	(70.8)	22.85	3.75	16.4%	26.60	NA	NA
B.C. Tel	(60.9)	34.72	2.28	6.6%	37.01	NA	NA
Total or Mean	(407.5)	31.64	1.90	6.0%	33.54	NA	
Unweighted Average		28.22	2.08	7.4%	30.30	NA	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	MIXED	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	11.66 cts/min	26.0% of Telco rate.
	Market Lost to Competition:	-20.0%	
			Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(6.6)	11.39	1.34	11.8%	12.73	NA		17.47
Island Tel	(1.4)	10.13	0.88	8.7%	11.01	NA	NA	15.71
MT&T	(18.2)	9.89	1.64	16.6%	11.53	NA	NA	18.30
NBTel	(15.9)	9.12	1.81	19.9%	10.93	NA	NA	17.17
Bell	(207.2)	10.39	1.02	9.8%	11.41	NA	NA	15.00
Manitoba Tel	(1.9)	6.21	0.11	1.8%	6.32	NA		12.06
SaskTel	(24.6)	6.07	1.63	26.9%	7.70	NA		16.82
AGT	(70.8)	8.23	2.45	29.7%	10.67	NA	NA	20.43
B.C. Tel	(60.9)	10.08	1.43	14.2%	11.51	NA	NA	16.79
Total or Mean	(407.5)	9.78	1.21	12.3%	10.98	NA		15.53
Unweighted Average		9.06	1.37	15.1%	10.42	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(6.6)	11.39	2.27	19.9%	13.66	NA	
Island Tel	(1.4)	10.13	1.27	12.6%	11.41	NA	NA
MT&T	(18.2)	9.89	2.24	22.7%	12.13	NA	NA
NBTel	(15.9)	9.12	2.69	29.5%	11.81	NA	NA
Bell	(207.2)	10.39	1.58	15.2%	11.97	NA	NA
Manitoba Tel	(1.9)	6.21	0.17	2.8%	6.38	NA	
SaskTel	(24.6)	6.07	2.47	40.7%	8.54	NA	
AGT	(70.8)	8.23	3.75	45.6%	11.98	NA	NA
B.C. Tel	(60.9)	10.08	2.28	22.6%	12.36	NA	NA
Total or Mean	(407.5)	9.78	1.86	19.1%	11.64	NA	
Unweighted Average		9.06	2.08	23.0%	11.14	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 11.66 cts/min 26.0% of Telco rate.
Market Lost to Competition: -20.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(1.9)	20.30	2.55	12.6%	22.85	NA	NA	2.32%
Quebec-Tel	(12.7)	20.34	6.15	30.2%	26.49	NA		4.25%
Telebec	(3.4)	32.05	1.98	6.2%	34.02	NA		1.73%
Northern Tel	(0.9)	23.75	1.35	5.7%	25.10	NA		1.92%
Thunder Bay	1.4	10.93	-0.95	-8.7%	9.98	NA		-3.19%
'edmonton tel'	19.9	19.24	-3.36	-17.5%	15.88	NA		-5.58%
Prince Rupert	0.4	19.70	-2.03	-10.3%	17.67	NA		-6.47%
NorthwesTel	(3.9)	12.92	3.80	29.4%	16.72	NA		3.25%
Total or Mean	(1.2)	19.54	-0.82	-4.2%	18.72	NA		0.12%
Unweighted Average		19.90	1.19	6.0%	21.09	NA		-0.22%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(1.9)	20.30	1.22	6.0%	21.52	NA	NA	
Quebec-Tel	(12.7)	20.34	3.05	15.0%	23.39	NA		
Telebec	(3.4)	32.05	0.90	2.8%	32.94	NA		
Northern Tel	(0.9)	23.75	0.74	3.1%	24.49	NA		
Thunder Bay	1.4	10.93	-0.63	-5.8%	10.30	NA		
'edmonton tel'	19.9	19.24	-2.23	-11.6%	17.00	NA		
Prince Rupert	0.4	19.70	-1.12	-5.7%	18.58	NA		
NorthwesTel	(3.9)	12.92	2.89	22.4%	15.81	NA		
Total or Mean	(1.2)	19.54	-0.71	-3.6%	18.83	NA		
Unweighted Average		19.90	0.60	3.0%	20.50	NA		

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 11.66 cts/min 26.0% of Telco rate.
Market Lost to Competition: -20.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Terra Nova Tel	(1.9)	8.14	1.02	12.6%	9.16	NA	NA	17.44
Quebec-Tel	(12.7)	7.64	2.31	30.2%	9.95	NA		20.82
Telebec	(3.4)	11.13	0.69	6.2%	11.82	NA		14.37
Northern Tel	(0.9)	8.97	0.51	5.7%	9.48	NA		14.57
Thunder Bay	1.4	4.63	-0.40	-8.7%	4.23	NA		7.00
'edmonton tel'	19.9	6.94	-1.21	-17.5%	5.73	NA		3.22
Prince Rupert	0.4	8.52	-0.88	-10.3%	7.64	NA		6.08
NorthwesTel	(3.9)	6.46	1.90	29.4%	8.36	NA		20.21
Total or Mean	(1.2)	7.97	0.48	6.1%	8.45	NA		11.84
Unweighted Average		7.80	0.49	6.3%	8.30	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(1.9)	8.14	1.22	14.9%	9.36	NA	NA
Quebec-Tel	(12.7)	7.64	3.05	39.9%	10.69	NA	
Telebec	(3.4)	11.13	0.90	8.1%	12.03	NA	
Northern Tel	(0.9)	8.97	0.74	8.2%	9.71	NA	
Thunder Bay	1.4	4.63	-0.63	-13.6%	4.00	NA	
'edmonton tel'	19.9	6.94	-2.23	-32.2%	4.71	NA	
Prince Rupert	0.4	8.52	-1.12	-13.1%	7.40	NA	
NorthwesTel	(3.9)	6.46	2.89	44.7%	9.35	NA	
Total or Mean	(1.2)	7.97	0.43	5.3%	8.39	NA	
Unweighted Average		7.80	0.60	7.7%	8.41	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED		
Geographic Areas of Competition:	All Canada		
Rate Structure:	STATUS QUO RATES		
Contribution Charge:	8.95 cts/min	20.0% of Telco rate.	
Market Lost to Competition:	-10.0%		
		Competing rates discounted by	10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(4.8)	37.82	3.25	8.6%	41.07	32.48		1.73%
Island Tel	(1.1)	30.36	2.10	6.9%	32.46	20.99	58.7%	1.69%
MT&T	(12.6)	25.60	2.94	11.5%	28.54	29.35	54.7%	2.05%
NBTel	(10.6)	32.22	4.29	13.3%	36.51	42.88	51.0%	2.27%
Bell	(167.4)	35.12	2.78	7.9%	37.90	27.76	69.7%	1.56%
Manitoba Tel	(5.4)	18.19	0.92	5.0%	19.11	9.18		0.68%
SaskTel	(17.1)	17.07	3.19	18.7%	20.26	31.90		1.93%
AGT	(46.0)	22.85	4.41	19.3%	27.27	44.14	51.2%	2.35%
B.C. Tel	(45.7)	34.72	3.70	10.6%	38.42	36.95	65.4%	1.97%
Total or Mean	(310.7)	31.64	3.01	9.5%	34.65	30.13		1.72%
Unweighted Average		28.22	3.06	10.9%	31.28	30.63		1.80%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(4.8)	37.82	1.66	4.4%	39.48	16.55	
Island Tel	(1.1)	30.36	1.01	3.3%	31.38	10.14	67.3%
MT&T	(12.6)	25.60	1.55	6.1%	27.15	15.49	63.2%
NBTel	(10.6)	32.22	1.80	5.6%	34.03	18.02	69.5%
Bell	(167.4)	35.12	1.28	3.6%	36.40	12.75	80.4%
Manitoba Tel	(5.4)	18.19	0.48	2.7%	18.67	4.82	
SaskTel	(17.1)	17.07	1.72	10.1%	18.79	17.17	
AGT	(46.0)	22.85	2.44	10.7%	25.29	24.36	64.9%
B.C. Tel	(45.7)	34.72	1.71	4.9%	36.44	17.11	77.6%
Total or Mean	(310.7)	31.64	1.45	4.6%	33.09	14.49	
Unweighted Average		28.22	1.52	5.4%	29.73	15.16	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 8.95 cts/min -20.0% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(4.8)	11.39	0.98	8.6%	12.37	9.78		16.87
Island Tel	(1.1)	10.13	0.70	6.9%	10.83	7.00	72.1%	14.96
MT&T	(12.6)	9.89	1.13	11.5%	11.02	11.34	67.1%	17.51
NBTel	(10.6)	9.12	1.21	13.3%	10.33	12.13	59.8%	15.83
Bell	(167.4)	10.39	0.82	7.9%	11.21	8.21	67.6%	13.99
Manitoba Tel	(5.4)	6.21	0.31	5.0%	6.52	3.13		11.03
SaskTel	(17.1)	6.07	1.13	18.7%	7.20	11.34		15.65
AGT	(46.0)	8.23	1.59	19.3%	9.82	15.89	64.3%	19.59
B.C. Tel	(45.7)	10.08	1.07	10.6%	11.16	10.73	72.1%	16.14
Total or Mean	(310.7)	9.78	0.92	9.4%	10.70	9.23		14.46
Unweighted Average		9.06	1.00	11.0%	10.05	9.95		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(4.8)	11.39	1.66	14.5%	13.04	16.55	
Island Tel	(1.1)	10.13	1.01	10.0%	11.15	10.14	66.8%
MT&T	(12.6)	9.89	1.55	15.7%	11.44	15.49	59.5%
NBTel	(10.6)	9.12	1.80	19.8%	10.92	18.02	47.3%
Bell	(167.4)	10.39	1.28	12.3%	11.67	12.75	56.3%
Manitoba Tel	(5.4)	6.21	0.48	7.8%	6.69	4.82	
SaskTel	(17.1)	6.07	1.72	28.3%	7.79	17.17	
AGT	(46.0)	8.23	2.44	29.6%	10.66	24.36	55.1%
B.C. Tel	(45.7)	10.08	1.71	17.0%	11.79	17.11	62.9%
Total or Mean	(310.7)	9.78	1.43	14.6%	11.20	14.26	
Unweighted Average		9.06	1.52	16.7%	10.57	15.16	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 8.95 cts/min 20.0% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	--------- BUSINESS --------- MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(1.5)	20.30	2.01	9.9%	22.31	20.10	64.3%	1.78%
Quebec-Tel	(7.5)	20.34	3.66	18.0%	24.00	36.59		2.49%
Telebec	(2.8)	32.05	1.61	5.0%	33.65	16.07		1.38%
Northern Tel	(0.8)	23.75	1.15	4.8%	24.90	11.50		1.64%
Thunder Bay	0.4	10.93	-0.25	-2.3%	10.68	-2.49		-0.84%
'edmonton tel'	6.6	19.24	-1.12	-5.8%	18.12	-11.19		-1.85%
Prince Rupert	0.1	19.70	-0.67	-3.4%	19.03	-6.72		-2.14%
NorthwesTel	(2.7)	12.92	2.60	20.1%	15.52	26.03		2.17%
Total or Mean	(8.2)	19.54	0.14	0.7%	19.68	1.37		0.85%
Unweighted Average		19.90	1.12	5.6%	21.03	11.24		0.58%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes BUSINESS SUBSCRIBERS

Terra Nova Tel	(1.5)	20.30	0.96	4.7%	21.26	9.58	69.7%
Quebec-Tel	(7.5)	20.34	1.81	8.9%	22.15	18.14	
Telebec	(2.8)	32.05	0.73	2.3%	32.77	7.30	
Northern Tel	(0.8)	23.75	0.63	2.6%	24.38	6.29	
Thunder Bay	0.4	10.93	-0.17	-1.5%	10.76	-1.66	
'edmonton tel'	6.6	19.24	-0.74	-3.9%	18.49	-7.43	
Prince Rupert	0.1	19.70	-0.37	-1.9%	19.33	-3.70	
NorthwesTel	(2.7)	12.92	1.98	15.3%	14.90	19.81	
Total or Mean	(8.2)	19.54	-0.01	-0.1%	19.53	-0.14	
Unweighted Average		19.90	0.60	3.0%	20.51	6.04	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:			
	Competitive MTS/WATS Providers:	MIXED	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	8.95 cts/min	20.0% of Telco rate.
	Market Lost to Competition:	-10.0%	
			Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(1.5)	8.14	0.81	9.9%	8.95	8.06	85.5%	17.45
Quebec-Tel	(7.5)	7.64	1.37	18.0%	9.02	13.75		19.13
Telebec	(2.8)	11.13	0.56	5.0%	11.69	5.58		13.06
Northern Tel	(0.8)	8.97	0.43	4.8%	9.41	4.35		13.58
Thunder Bay	0.4	4.63	-0.11	-2.3%	4.53	-1.06		6.65
'edmonton tel'	6.6	6.94	-0.40	-5.8%	6.53	-4.04		3.70
Prince Rupert	0.1	8.52	-0.29	-3.4%	8.23	-2.90		5.50
NorthwesTel	(2.7)	6.46	1.30	20.1%	7.76	13.01		19.89
Total or Mean	(8.2)	7.97	0.45	5.7%	8.42	4.53		11.31
Unweighted Average		7.80	0.46	5.9%	8.26	4.59		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(1.5)	8.14	0.96	11.8%	9.10	9.58	84.0%
Quebec-Tel	(7.5)	7.64	1.81	23.7%	9.46	18.14	
Telebec	(2.8)	11.13	0.73	6.6%	11.86	7.30	
Northern Tel	(0.8)	8.97	0.63	7.0%	9.60	6.29	
Thunder Bay	0.4	4.63	-0.17	-3.6%	4.47	-1.66	
'edmonton tel'	6.6	6.94	-0.74	-10.7%	6.20	-7.43	
Prince Rupert	0.1	8.52	-0.37	-4.3%	8.15	-3.70	
NorthwesTel	(2.7)	6.46	1.98	30.7%	8.44	19.81	
Total or Mean	(8.2)	7.97	0.53	6.6%	8.50	5.29	
Unweighted Average		7.80	0.60	7.7%	8.41	6.04	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 9.64 cts/min 21.5% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(8.5)	37.82	5.73	15.1%	43.55	57.25		3.12%
Island Tel	(1.9)	30.36	3.60	11.9%	33.96	36.00	50.4%	2.97%
MT&T	(22.6)	25.60	5.28	20.6%	30.88	52.76	45.1%	3.77%
NBTel	(19.2)	32.22	7.77	24.1%	40.00	77.71	37.2%	4.20%
Bell	(285.4)	35.12	4.73	13.5%	39.86	47.33	59.4%	2.71%
Manitoba Tel	(7.6)	18.19	1.29	7.1%	19.48	12.89		0.97%
SaskTel	(30.8)	17.07	5.73	33.6%	22.80	57.33		3.54%
AGT	(84.1)	22.85	8.08	35.4%	30.93	80.80	36.2%	4.43%
B.C. Tel	(79.9)	34.72	6.46	18.6%	41.19	64.64	53.7%	3.52%
Total or Mean	(540.1)	31.64	5.23	16.5%	36.87	52.34		3.05%
Unweighted Average		28.22	5.41	19.2%	33.63	54.08		3.25%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(8.5)	37.82	2.92	7.7%	40.74	29.18	
Island Tel	(1.9)	30.36	1.74	5.7%	32.10	17.40	61.3%
MT&T	(22.6)	25.60	2.78	10.9%	28.38	27.84	55.5%
NBTel	(19.2)	32.22	3.27	10.1%	35.49	32.67	57.3%
Bell	(285.4)	35.12	2.17	6.2%	37.30	21.75	73.7%
Manitoba Tel	(7.6)	18.19	0.68	3.7%	18.87	6.77	
SaskTel	(30.8)	17.07	3.09	18.1%	20.16	30.86	
AGT	(84.1)	22.85	4.46	19.5%	27.31	44.59	50.9%
B.C. Tel	(79.9)	34.72	2.99	8.6%	37.72	29.93	69.3%
Total or Mean	(540.1)	31.64	2.52	8.0%	34.16	25.21	
Unweighted Average		28.22	2.68	9.5%	30.90	26.78	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 9.64 cts/min 21.5% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(8.5)	11.39	1.72	15.1%	13.11	17.24		16.62
Island Tel	(1.9)	10.13	1.20	11.9%	11.33	12.01	63.9%	14.80
MT&T	(22.6)	9.89	2.04	20.6%	11.93	20.38	51.3%	17.33
NBTel	(19.2)	9.12	2.20	24 1%	11.32	21.99	40.7%	15.88
Bell	(285.4)	10.39	1.40	13.5%	11.79	14.00	53.4%	13.93
Manitoba Tel	(7.6)	6.21	0.44	7.1%	6.65	4.40		11.10
SaskTel	(30.8)	6.07	2.04	33.6%	8.11	20.38		15.66
AGT	(84.1)	8.23	2.91	35.4%	11.14	29.09	50.8%	19.38
B.C. Tel	(79.9)	10.08	1.88	18.6%	11.96	18.77	60.7%	15.93
Total or Mean	(540.1)	9.78	1.60	16.4%	11.38	16.03		14.43
Unweighted Average		9.06	1.76	19.4%	10.81	17.59		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(8.5)	11.39	2.92	25.6%	14.31	29.18	
Island Tel	(1.9)	10.13	1.74	17.2%	11.87	17.40	56.4%
MT&T	(22.6)	9.89	2.78	28.2%	12.67	27.84	41.1%
NBTel	(19.2)	9.12	3.27	35.8%	12.39	32.67	28.3%
Bell	(285.4)	10.39	2.17	20.9%	12.57	21.75	38.4%
Manitoba Tel	(7.6)	6.21	0.68	10.9%	6.88	6.77	
SaskTel	(30.8)	6.07	3.09	50.9%	9.16	30.86	
AGT	(84.1)	8.23	4.46	54.2%	12.69	44.59	39.9%
B C. Tel	(79.9)	10.08	2.99	29.7%	13.08	29.93	47.3%
Total or Mean	(540.1)	9.78	2.48	25.3%	12.25	24.76	
Unweighted Average		9.06	2.68	29.6%	11.73	26.78	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 9.64 cts/min 21.5% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(2.6)	20.30	3.48	17.2%	23.78	34.83	55.9%	3.16%
Quebec-Tel	(14.2)	20.34	6.88	33.8%	27.22	68.84		4.76%
Telebec	(4.8)	32.05	2.76	8.6%	34.80	27.59		2.41%
Northern Tel	(1.4)	23.75	1.97	8.3%	25.72	19.70		2.80%
Thunder Bay	0.9	10.93	-0.65	-6.0%	10.27	-6.54		-2.20%
'edmonton tel'	15.5	19.24	-2.62	-13.6%	16.62	-26.20		-4.35%
Prince Rupert	0.3	19.70	-1.58	-8.0%	18.11	-15.83		-5.05%
NorthwesTel	(4.8)	12.92	4.67	36.2%	17.59	46.74		4.00%
Total or Mean	(11.0)	19.54	-0.11	-0.6%	19.43	-1.12		1.15%
Unweighted Average		19.90	1.86	9.4%	21.77	18.64		0.69%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(2.6)	20.30	1.66	8.2%	21.96	16.59	65.0%
Quebec-Tel	(14.2)	20.34	3.41	16.8%	23.75	34.12	
Telebec	(4.8)	32.05	1.25	3.9%	33.30	12.53	
Northern Tel	(1.4)	23.75	1.08	4.5%	24.83	10.77	
Thunder Bay	0.9	10.93	-0.44	-4.0%	10.49	-4.37	
'edmonton tel'	15.5	19.24	-1.74	-9.0%	17.50	-17.40	
Prince Rupert	0.3	19.70	-0.87	-4.4%	18.83	-8.72	
NorthwesTel	(4.8)	12.92	3.56	27.5%	16.48	35.58	
Total or Mean	(11.0)	19.54	-0.27	-1.4%	19.28	-2.66	
Unweighted Average		19.90	0.99	5.0%	20.89	9.89	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contritution Charge: 9.64 cts/min 21.5% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(2.6)	8.14	1.40	17.2%	9.54	13.97	76.9%	17.00
Quebec-Tel	(14.2)	7.64	2.59	33.8%	10.23	25.86		19.22
Telebec	(4.8)	11.13	0.96	8.6%	12.09	9.58		13.17
Northern Tel	(1.4)	8.97	0.74	8.3%	9.72	7.44		13.61
Thunder Bay	0.9	4.63	-0.28	-6.0%	4.36	-2.78		6.63
'edmonton tel'	15.5	6.94	-0.94	-13.6%	5.99	-9.45		3.50
Prince Rupert	0.3	8.52	-0.68	-8.0%	7.83	-6.84		5.58
NorthwesTel	(4.8)	6.46	2.34	36.2%	8.80	23.37		19.47
Total or Mean	(11.0)	7.97	0.75	9.5%	8.72	7.55		11.22
Unweighted Average		7.80	0.76	9.8%	8.57	7.65		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(2.6)	8.14	1.66	20.4%	9.80	16.59	73.1%
Quebec-Tel	(14.2)	7.64	3.41	44.7%	11.05	34.12	
Telebec	(4.8)	11.13	1.25	11.3%	12.39	12.53	
Northern Tel	(1.4)	8.97	1.08	12.0%	10.05	10.77	
Thunder Bay	0.9	4.63	-0.44	-9.4%	4.20	-4.37	
'edmonton tel'	15.5	6.94	-1.74	-25.1%	5.20	-17.40	
Prince Rupert	0.3	8.52	-0.87	-10.2%	7.64	-8.72	
NorthwesTel	(4.8)	6.46	3.56	55.1%	10.02	35.58	
Total or Mean	(11.0)	7.97	0.83	10.4%	8.80	8.32	
Unweighted Average		7.80	0.99	12.7%	8.79	9.89	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	MIXED	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	5.98 cts/min	13.4% of Telco rate.
	Market Lost to Competition:	-10.0%	
			Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(6.5)	37.82	4.38	11.6%	42.21	17.54		2.34%
Island Tel	(1.6)	30.36	2.96	9.7%	33.32	11.82	65.8%	2.39%
MT&T	(16.4)	25.60	3.85	15.0%	29.45	15.39	63.2%	2.69%
NBTel	(13.6)	32.22	5.50	17.1%	37.73	22.01	65.7%	2.92%
Bell	(236.8)	35.12	3.93	11.2%	39.05	15.70	78.1%	2.21%
Manitoba Tel	(10.5)	18.19	1.78	9.8%	19.97	7.10		1.31%
SaskTel	(22.6)	17.07	4.21	24.7%	21.28	16.85		2.54%
AGT	(57.9)	22.85	5.56	24.3%	28.41	22.23	66.7%	2.97%
B.C. Tel	(62.6)	34.72	5.06	14.6%	39.79	20.25	75.4%	2.70%
Total or Mean	(428.6)	31.64	4.16	13.1%	35.80	16.64		2.37%
Unweighted Average		28.22	4.14	14.7%	32.36	16.54		2.45%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(6.5)	37.82	2.23	5.9%	40.06	8.94	
Island Tel	(1.6)	30.36	1.43	4.7%	31.79	5.71	71.9%
MT&T	(16.4)	25.60	2.03	7.9%	27.63	8.12	69.2%
NBTel	(13.6)	32.22	2.31	7.2%	34.54	9.25	79.7%
Bell	(236.8)	35.12	1.80	5.1%	36.93	7.22	85.3%
Manitoba Tel	(10.5)	18.19	0.93	5.1%	19.12	3.73	
SaskTel	(22.6)	17.07	2.27	13.3%	19.34	9.07	
AGT	(57.9)	22.85	3.07	13.4%	25.92	12.27	76.6%
B.C. Tel	(62.6)	34.72	2.34	6.8%	37.07	9.38	83.7%
Total or Mean	(428.6)	31.64	2.00	6.3%	33.63	7.98	
Unweighted Average		28.22	2.05	7.3%	30.27	8.19	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 5.98 cts/min 13.4% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(6.5)	11.39	1.32	11.6%	12.71	5.28		15.48
Island Tel	(1.6)	10.13	0.99	9.7%	11.12	3.95	77.5%	13.50
MT&T	(16.4)	9.89	1.49	15.0%	11.37	5.94	77.0%	15.94
NBTel	(13.6)	9.12	1.56	17.1%	10.68	6.23	75.3%	13.83
Bell	(236.8)	10.39	1.16	11.2%	11.55	4.65	76.0%	12.31
Manitoba Tel	(10.5)	6.21	0.61	9.8%	6.81	2.42		9.55
SaskTel	(22.6)	6.07	1.50	24.7%	7.57	5.99		13.84
AGT	(57.9)	8.23	2.00	24.3%	10.23	8.00	74.7%	17.89
B.C. Tel	(62.6)	10.08	1.47	14.6%	11.55	5.88	78.8%	14.73
Total or Mean	(428.6)	9.78	1.27	13.0%	11.05	5.10		12.73
Unweighted Average		9.06	1.34	14.8%	10.40	5.37		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(6.5)	11.39	2.23	19.6%	13.62	8.94	
Island Tel	(1.6)	10.13	1.43	14.1%	11.56	5.71	74.4%
MT&T	(16.4)	9.89	2.03	20.5%	11.92	8.12	73.1%
NBTel	(13.6)	9.12	2.31	25.4%	11.43	9.25	67.1%
Bell	(236.8)	10.39	1.80	17.4%	12.20	7.22	70.1%
Manitoba Tel	(10.5)	6.21	0.93	15.0%	7.14	3.73	
SaskTel	(22.6)	6.07	2.27	37.4%	8.34	9.07	
AGT	(57.9)	8.23	3.07	37.3%	11.30	12.27	68.9%
B.C. Tel	(62.6)	10.08	2.34	23.2%	12.43	9.38	74.1%
Total or Mean	(428.6)	9.78	1.97	20.2%	11.75	7.88	
Unweighted Average		9.06	2.05	22.6%	11.10	8.19	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 5.98 cts/min 13.4% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(2.1)	20.30	2.84	14.0%	23.14	11.36	68.7%	2.52%
Quebec-Tel	(8.9)	20.34	4.32	21.2%	24.65	17.26		2.94%
Telebec	(4.0)	32.05	2.30	7.2%	34.35	9.21		1.98%
Northern Tel	(1.2)	23.75	1.71	7.2%	25.46	6.82		2.43%
Thunder Bay	(0.0)	10.93	0.01	0.1%	10.94	0.04		0.03%
'edmonton tel'	2.7	19.24	-0.46	-2.4%	18.77	-1.84		-0.76%
Prince Rupert	0.0	19.70	-0.27	-1.4%	19.42	-1.09		-0.87%
NorthwesTel	(3.5)	12.92	3.38	26.2%	16.30	13.54		2.82%
Total or Mean	(16.9)	19.54	0.77	4.0%	20.31	3.09		1.75%
Unweighted Average		19.90	1.73	8.7%	21.63	6.91		1.39%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(2.1)	20.30	1.35	6.7%	21.65	5.41	71.9%
Quebec-Tel	(8.9)	20.34	2.14	10.5%	22.48	8.56	
Telebec	(4.0)	32.05	1.05	3.3%	33.09	4.18	
Northern Tel	(1.2)	23.75	0.93	3.9%	24.68	3.73	
Thunder Bay	(0.0)	10.93	0.01	0.1%	10.94	0.03	
'edmonton tel'	2.7	19.24	-0.31	-1.6%	18.93	-1.22	
Prince Rupert	0.0	19.70	-0.15	-0.8%	19.55	-0.60	
NorthwesTel	(3.5)	12.92	2.58	19.9%	15.50	10.31	
Total or Mean	(16.9)	19.54	0.38	2.0%	19.92	1.53	
Unweighted Average		19.90	0.95	4.8%	20.85	3.80	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 5.98 cts/min 13.4% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates
discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(2.1)	8.14	1.14	14.0%	9.28	4.56	88.5%	16.64
Quebec-Tel	(8.9)	7.64	1.62	21.2%	9.26	6.49		16.65
Telebec	(4.0)	11.13	0.80	7.2%	11.93	3.20		11.22
Northern Tel	(1.2)	8.97	0.64	7.2%	9.62	2.58		12.08
Thunder Bay	(0.0)	4.63	0.00	0.1%	4.64	0.02		6.06
'edmonton tel'	2.7	6.94	-0.17	-2.4%	6.77	-0.66		4.06
Prince Rupert	0.0	8.52	-0.12	-1.4%	8.40	-0.47		4.73
NorthwesTel	(3.5)	6.46	1.69	26.2%	8.15	6.77		18.62
Total or Mean	(16.9)	7.97	0.70	8.7%	8.66	2.78		10.31
Unweighted Average		7.80	0.70	9.0%	8.51	2.81		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(2.1)	8.14	1.35	16.6%	9.49	5.41	87.9%
Quebec-Tel	(8.9)	7.64	2.14	28.0%	9.78	8.56	
Telebec	(4.0)	11.13	1.05	9.4%	12.18	4.18	
Northern Tel	(1.2)	8.97	0.93	10.4%	9.91	3.73	
Thunder Bay	(0.0)	4.63	0.01	0.1%	4.64	0.03	
'edmonton tel'	2.7	6.94	-0.31	-4.4%	6.63	-1.22	
Prince Rupert	0.0	8.52	-0.15	-1.8%	8.36	-0.60	
NorthwesTel	(3.5)	6.46	2.58	39.9%	9.04	10.31	
Total or Mean	(16.9)	7.97	0.89	11.2%	8.86	3.56	
Unweighted Average		7.80	0.95	12.2%	8.75	3.80	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	MIXED	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	6.63 cts/min	14.8% of Telco rate.
	Market Lost to Competition:	-20.0%	
			Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(11.8)	37.82	7.95	21.0%	45.77	31.80		4.34%
Island Tel	(2.8)	30.36	5.28	17.4%	35.64	21.11	58.7%	4.35%
MT&T	(30.2)	25.60	7.06	27.6%	32.66	28.23	55.3%	5.05%
NBTel	(25.1)	32.22	10.15	31.5%	42.37	40.59	52.3%	5.48%
Bell	(421.8)	35.12	7.00	19.9%	42.12	27.98	69.6%	4.01%
Manitoba Tel	(17.6)	18.19	2.97	16.3%	21.16	11.87		2.24%
SaskTel	(41.5)	17.07	7.73	45.3%	24.80	30.94		4.78%
AGT	(107.4)	22.85	10.32	45.1%	33.17	41.27	52.8%	5.65%
B.C. Tel	(113.0)	34.72	9.14	26.3%	43.87	36.57	65.6%	4.98%
Total or Mean	(771.4)	31.64	7.48	23.7%	39.12	29.94		4.35%
Unweighted Average		28.22	7.51	26.6%	35.73	30.04		4.54%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(11.8)	37.82	4.05	10.7%	41.87	16.21	
Island Tel	(2.8)	30.36	2.55	8.4%	32.91	10.20	67.3%
MT&T	(30.2)	25.60	3.73	14.6%	29.32	14.90	63.6%
NBTel	(25.1)	32.22	4.27	13.2%	36.49	17.06	70.5%
Bell	(421.8)	35.12	3.21	9.1%	38.34	12.85	80.4%
Manitoba Tel	(17.6)	18.19	1.56	8.6%	19.75	6.23	
SaskTel	(41.5)	17.07	4.16	24.4%	21.23	16.65	
AGT	(107.4)	22.85	5.69	24.9%	28.55	22.78	66.2%
B.C. Tel	(113.0)	34.72	4.23	12.2%	38.96	16.93	77.8%
Total or Mean	(771.4)	31.64	3.59	11.4%	35.23	14.38	
Unweighted Average		28.22	3.72	13.2%	31.94	14.87	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 6.63 cts/min 14.8% of Telco rate.
Market Lost to Competition: -20.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(11.8)	11.39	2.39	21.0%	13.78	9.57		15.24
Island Tel	(2.8)	10.13	1.76	17.4%	11.89	7.04	72.0%	13.34
MT&T	(30.2)	9.89	2.73	27.6%	12.61	10.91	68.0%	15.77
NBTel	(25.1)	9.12	2.87	31.5%	11.99	11.49	61.4%	13.86
Bell	(421.8)	10.39	2.07	19.9%	12.46	8.28	67.4%	12.26
Manitoba Tel	(17.6)	6.21	1.01	16.3%	7.22	4.05		9.61
SaskTel	(41.5)	6.07	2.75	45.3%	8.82	11.00		13.84
AGT	(107.4)	8.23	3.71	45.1%	11.94	14.86	65.6%	17.68
B.C. Tel	(113.0)	10.08	2.65	26.3%	12.74	10.62	72.3%	14.53
Total or Mean	(771.4)	9.78	2.29	23.5%	12.07	9.17		12.71
Unweighted Average		9.06	2.44	26.9%	11.50	9.76		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(11.8)	11.39	4.05	35.6%	15.44	16.21	
Island Tel	(2.8)	10.13	2.55	25.2%	12.68	10.20	66.8%
MT&T	(30.2)	9.89	3.73	37.7%	13.61	14.90	60.6%
NBTel	(25.1)	9.12	4.27	46.8%	13.39	17.06	49.1%
Bell	(421.8)	10.39	3.21	30.9%	13.61	12.85	56.1%
Manitoba Tel	(17.6)	6.21	1.56	25.1%	7.76	6.23	
SaskTel	(41 5)	6.07	4.16	68.6%	10.23	16.65	
AGT	(107.4)	8.23	5.69	69.2%	13.92	22.78	56.7%
B.C. Tel	(113.0)	10.08	4.23	42.0%	14.32	16.93	63.2%
Total or Mean	(771.4)	9.78	3.55	36.3%	13.32	14.16	
Unweighted Average		9.06	3.72	41.0%	12.77	14.87	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 6.63 cts/min 14.8% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS			BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
			MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)			
Terra Nova Tel	(3.8)	20.30	5.11	25.2%	25.41	20.42	62.9%	4.64%
Quebec-Tel	(16.8)	20.34	8.17	40.2%	28.51	32.67		5.65%
Telebec	(7.2)	32.05	4.12	12.9%	36.16	16.48		3.60%
Northern Tel	(2.1)	23.75	3.06	12.9%	26.81	12.22		4.35%
Thunder Bay	0.2	10.93	-0.15	-1.3%	10.78	-0.59		-0.49%
'edmonton tel'	7.9	19.24	-1.33	-6.9%	17.90	-5.33		-2.21%
Prince Rupert	0.1	19.70	-0.80	-4.1%	18.89	-3.22		-2.56%
NorthwesTel	(6.4)	12.92	6.20	48.0%	19.12	24.81		5.32%
Total or Mean	(28.0)	19.54	1.13	5.8%	20.67	4.52		2.94%
Unweighted Average		19.90	3.05	15.3%	22.95	12.19		2.29%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(3.8)	20.30	2.43	12.0%	22.73	9.73	69.0%
Quebec-Tel	(16.8)	20.34	4.05	19.9%	24.39	16.20	
Telebec	(7.2)	32.05	1.87	5.8%	33.92	7.48	
Northern Tel	(2.1)	23.75	1.67	7.0%	25.42	6.68	
Thunder Bay	0.2	10.93	-0.10	-0.9%	10.83	-0.39	
'edmonton tel'	7.9	19.24	-0.89	-4.6%	18.35	-3.54	
Prince Rupert	0.1	19.70	-0.44	-2.2%	19.25	-1.77	
NorthwesTel	(6.4)	12.92	4.72	36.6%	17.64	18.89	
Total or Mean	(28.0)	19.54	0.51	2.6%	20.05	2.03	
Unweighted Average		19.90	1.66	8.4%	21.57	6.66	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 6.63 cts/min 14.8% of Telco rate.
Market Lost to Competition: -20.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(3.8)	8.14	2.05	25.2%	10.19	8.19	84.4%	16.22
Quebec-Tel	(16.8)	7.64	3.07	40.2%	10.71	12.28		16.73
Telebec	(7.2)	11.13	1.43	12.9%	12.56	5.72		11.31
Northern Tel	(2.1)	8.97	1.15	12.9%	10.13	4.62		12.09
Thunder Bay	0.2	4.63	-0.06	-1.3%	4.57	-0.25		6.03
'edmonton tel'	7.9	6.94	-0.48	-6.9%	6.46	-1.92		3.85
Prince Rupert	0.1	8.52	-0.35	-4.1%	8.17	-1.39		4.80
NorthwesTel	(6.4)	6.46	3.10	48.0%	9.56	12.41		18.21
Total or Mean	(28.0)	7.97	1.23	15.4%	9.20	4.91		10.22
Unweighted Average		7.80	1.24	15.9%	9.04	4.96		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(3.8)	8.14	2.43	29.9%	10.57	9.73	82.5%
Quebec-Tel	(16.8)	7.64	4.05	53.0%	11.69	16.20	
Telebec	(7.2)	11.13	1.87	16.8%	13.00	7.48	
Northern Tel	(2.1)	8.97	1.67	18.6%	10.64	6.68	
Thunder Bay	0.2	4.63	-0.10	-2.1%	4.54	-0.39	
'edmonton tel'	7.9	6.94	-0.89	-12.8%	6.05	-3.54	
Prince Rupert	0.1	8.52	-0.44	-5.2%	8.07	-1.77	
NorthwesTel	(6.4)	6.46	4.72	73.1%	11.18	18.89	
Total or Mean	(28.0)	7.97	1.54	19.3%	9.51	6.16	
Unweighted Average		7.80	1.66	21.3%	9.47	6.66	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 56.10%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(11.7)	37.82	7.84	20.7%	45.66	13.97		4.17%
Island Tel	(3.0)	30.36	5.56	18.3%	35.92	9.91	67.6%	4.49%
MT&T	(28.3)	25.60	6.61	25.8%	32.21	11.79	66.0%	4.62%
NBTel	(22.7)	32.22	9.19	28.5%	41.41	16.38	71.2%	4.87%
Bell	(447.3)	35.12	7.42	21.1%	42.54	13.22	80.1%	4.18%
Manitoba Tel	(26.0)	18.19	4.38	24.1%	22.57	7.81		3.22%
SaskTel	(39.3)	17.07	7.32	42.9%	24.39	13.05		4.42%
AGT	(94.0)	22.85	9.03	39.5%	31.89	16.10	72.5%	4.82%
B.C. Tel	(113.9)	34.72	9.22	26.5%	43.94	16.43	78.1%	4.91%
Total or Mean	(786.2)	31.64	7.64	24.1%	39.28	13.62		4.35%
Unweighted Average		28.22	7.40	26.2%	35.61	13.18		4.41%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(11.7)	37.82	3.99	10.6%	41.82	7.12	
Island Tel	(3.0)	30.36	2.69	8.8%	33.05	4.79	73.0%
MT&T	(28.3)	25.60	3.49	13.6%	29.09	6.22	71.1%
NBTel	(22.7)	32.22	3.86	12.0%	36.09	6.89	82.9%
Bell	(447.3)	35.12	3.41	9.7%	38.53	6.07	86.3%
Manitoba Tel	(26.0)	18.19	2.30	12.6%	20.49	4.10	
SaskTel	(39.3)	17.07	3.94	23.1%	21.01	7.02	
AGT	(94.0)	22.85	4.98	21.8%	27.84	8.89	80.4%
B.C. Tel	(113.9)	34.72	4.27	12.3%	38.99	7.61	85.2%
Total or Mean	(786.2)	31.64	3.66	11.6%	35.30	6.52	
Unweighted Average		28.22	3.66	13.0%	31.88	6.52	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 56.10%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(11.7)	11.39	2.36	20.7%	13.75	4.21		11.99
Island Tel	(3.0)	10.13	1.85	18.3%	11.99	3.31	78.7%	9.98
MT&T	(28.3)	9.89	2.55	25.8%	12.44	4.55	79.2%	12.09
NBTel	(22.7)	9.12	2.60	28.5%	11.72	4.64	79.6%	9.25
Bell	(447.3)	10.39	2.19	21.1%	12.59	3.91	77.5%	8.44
Manitoba Tel	(26.0)	6.21	1.49	24.1%	7.70	2.66		6.22
SaskTel	(39.3)	6.07	2.60	42.9%	8.67	4.64		9.64
AGT	(94.0)	8.23	3.25	39.5%	11.48	5.80	77.9%	13.66
B.C. Tel	(113.9)	10.08	2.68	26.5%	12.76	4.77	80.2%	11.24
Total or Mean	(786.2)	9.78	2.34	24.0%	12.12	4.18		8.75
Unweighted Average		9.06	2.40	26.5%	11.46	4.28		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(11.7)	11.39	3.99	35.1%	15.38	7.12	
Island Tel	(3.0)	10.13	2.69	26.5%	12.82	4.79	76.0%
MT&T	(28.3)	9.89	3.49	35.3%	13.38	6.22	76.5%
NBTel	(22.7)	9.12	3.86	42.4%	12.98	6.89	73.5%
Bell	(447.3)	10.39	3.41	32.8%	13.80	6.07	72.8%
Manitoba Tel	(26.0)	6.21	2.30	37.1%	8.51	4.10	
SaskTel	(39.3)	6.07	3.94	64.9%	10.01	7.02	
AGT	(94.0)	8.23	4.98	60.6%	13.21	8.89	73.5%
B.C. Tel	(113.9)	10.08	4.27	42.3%	14.35	7.61	76.5%
Total or Mean	(786.2)	9.78	3.63	37.1%	13.40	6.46	
Unweighted Average		9.06	3.66	40.4%	12.72	6.52	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 56.10%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(4.0)	20.30	5.36	26.4%	25.66	9.55	69.7%	4.75%
Quebec-Tel	(13.0)	20.34	6.31	31.0%	26.65	11.24		4.29%
Telebec	(7.7)	32.05	4.41	13.8%	36.46	7.87		3.79%
Northern Tel	(2.3)	23.75	3.39	14.3%	27.14	6.04		4.82%
Thunder Bay	(1.2)	10.93	0.80	7.3%	11.73	1.42		2.69%
'edmonton tel'	(9.1)	19.24	1.54	8.0%	20.77	2.74		2.54%
Prince Rupert	(0.2)	19.70	0.93	4.7%	20.63	1.67		2.97%
NorthwesTel	(5.9)	12.92	5.76	44.6%	18.68	10.26		4.80%
Total or Mean	(43.3)	19.54	2.70	13.8%	22.24	4.81		4.49%
Unweighted Average		19.90	3.56	17.9%	23.46	6.35		3.83%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(4.0)	20.30	2.55	12.6%	22.85	4.55	72.4%
Quebec-Tel	(13.0)	20.34	3.13	15.4%	23.47	5.57	
Telebec	(7.7)	32.05	2.00	6.3%	34.05	3.57	
Northern Tel	(2.3)	23.75	1.85	7.8%	25.61	3.30	
Thunder Bay	(1.2)	10.93	0.53	4.9%	11.46	0.95	
'edmonton tel'	(9.1)	19.24	1.02	5.3%	20.26	1.82	
Prince Rupert	(0.2)	19.70	0.52	2.6%	20.21	0.92	
NorthwesTel	(5.9)	12.92	4.38	33.9%	17.30	7.81	
Total or Mean	(43.3)	19.54	1.58	8.1%	21.12	2.82	
Unweighted Average		19.90	2.00	10.0%	21.90	3.56	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 56.10%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(4.0)	8.14	2.15	26.4%	10.29	3.83	89.0%	14.21
Quebec-Tel	(13.0)	7.64	2.37	31.0%	10.01	4.22		11.01
Telebec	(7.7)	11.13	1.53	13.8%	12.67	2.73		7.09
Northern Tel	(2.3)	8.97	1.28	14.3%	10.25	2.28		8.56
Thunder Bay	(1.2)	4.63	0.34	7.3%	4.97	0.60		4.61
'edmonton tel'	(9.1)	6.94	0.55	8.0%	7.49	0.99		4.52
Prince Rupert	(0.2)	8.52	0.40	4.7%	8.92	0.72		3.01
NorthwesTel	(5.9)	6.46	2.88	44.6%	9.34	5.13		15.18
Total or Mean	(43.3)	7.97	1.43	17.9%	9.40	2.55		7.84
Unweighted Average		7.80	1.44	18.4%	9.24	2.56		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(4.0)	8.14	2.55	31.4%	10.69	4.55	88.5%	
Quebec-Tel	(13.0)	7.64	3.13	40.9%	10.77	5.57		
Telebec	(7.7)	11.13	2.00	18.0%	13.14	3.57		
Northern Tel	(2.3)	8.97	1.85	20.7%	10.83	3.30		
Thunder Bay	(1.2)	4.63	0.53	11.5%	5.17	0.95		
'edmonton tel'	(9.1)	6.94	1.02	14.7%	7.96	1.82		
Prince Rupert	(0.2)	8.52	0.52	6.0%	9.03	0.92		
NorthwesTel	(5.9)	6.46	4.38	67.8%	10.84	7.81		
Total or Mean	(43.3)	7.97	1.99	25.0%	9.96	3.55		
Unweighted Average		7.80	2.00	25.6%	9.80	3.56		

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 58.30%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(23.2)	37.82	15.58	41.2%	53.40	26.72		8.50%
Island Tel	(5.9)	30.36	11.03	36.3%	41.39	18.92	60.2%	9.09%
MT&T	(56.3)	25.60	13.17	51.5%	38.77	22.59	58.5%	9.42%
NBTel	(45.3)	32.22	18.30	56.8%	50.52	31.39	58.2%	9.89%
Bell	(889.8)	35.12	14.75	42.0%	49.88	25.31	71.3%	8.46%
Manitoba Tel	(51.8)	18.19	8.72	48.0%	26.91	14.96		6.58%
SaskTel	(78.4)	17.07	14.60	85.5%	31.67	25.04		9.01%
AGT	(187.4)	22.85	18.00	78.8%	40.85	30.87	59.7%	9.86%
B.C. Tel	(226.5)	34.72	18.33	52.8%	53.05	31.44	68.4%	9.98%
Total or Mean	(1,564.6)	31.64	15.20	48.1%	46.84	26.08		8.82%
Unweighted Average		28.22	14.72	52.2%	42.94	25.25		8.98%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(23.2)	37.82	7.94	21.0%	45.76	13.62	
Island Tel	(5.9)	30.36	5.33	17.6%	35.69	9.14	68.3%
MT&T	(56.3)	25.60	6.95	27.2%	32.55	11.92	65.9%
NBTel	(45.3)	32.22	7.69	23.9%	39.92	13.19	74.7%
Bell	(889.8)	35.12	6.78	19.3%	41.90	11.63	81.4%
Manitoba Tel	(51.8)	18.19	4.58	25.2%	22.77	7.86	
SaskTel	(78.4)	17.07	7.86	46.0%	24.93	13.48	
AGT	(187.4)	22.85	9.93	43.5%	32.79	17.04	71.6%
B.C. Tel	(226.5)	34.72	8.48	24.4%	43.21	14.55	79.5%
Total or Mean	(1,564.6)	31.64	7.28	23.0%	38.92	12.49	
Unweighted Average		28.22	7.28	25.8%	35.50	12.49	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Competing rates discounted by 58.30%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(23.2)	11.39	4.69	41.2%	16.08	8.05		11.53
Island Tel	(5.9)	10.13	3.68	36.3%	13.81	6.31	73.3%	9.58
MT&T	(56.3)	9.89	5.09	51.5%	14.98	8.73	72.0%	11.65
NBTel	(45.3)	9.12	5.18	56.8%	14.30	8.88	68.1%	8.91
Bell	(889.8)	10.39	4.37	42.0%	14.76	7.49	69.4%	8.12
Manitoba Tel	(51.8)	6.21	2.98	48.0%	9.18	5.11		5.99
SaskTel	(78.4)	6.07	5.19	85.5%	11.26	8.90		9.30
AGT	(187.4)	8.23	6.48	78.8%	14.71	11.11	70.4%	13.16
B.C. Tel	(226.5)	10.08	5.32	52.8%	15.41	9.13	74.4%	10.81
Total or Mean	(1,564.6)	9.78	4.66	47.7%	14.44	8.00		8.42
Unweighted Average		9.06	4.77	52.7%	13.83	8.19		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(23.2)	11.39	7.94	69.7%	19.33	13.62	
Island Tel	(5.9)	10.13	5.33	52.6%	15.46	9.14	68.5%
MT&T	(56.3)	9.89	6.95	70.3%	16.84	11.92	66.0%
NBTel	(45.3)	9.12	7.69	84.3%	16.81	13.19	57.3%
Bell	(889.8)	10.39	6.78	65.2%	17.17	11.63	59.1%
Manitoba Tel	(51.8)	6.21	4.58	73.8%	10.79	7.86	
SaskTel	(78.4)	6.07	7.86	129.5%	13.93	13.48	
AGT	(187.4)	8.23	9.93	120.7%	18.16	17.04	62.9%
B.C. Tel	(226.5)	10.08	8.48	84.1%	18.57	14.55	66.6%
Total or Mean	(1,564.6)	9.78	7.21	73.8%	16.99	12.37	
Unweighted Average		9.06	7.28	80.4%	16.34	12.49	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:			
	Competitive MTS/WATS Providers:	MIXED	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-20.0%	
			Competing rates discounted by 58.30%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(7.9)	20.30	10.67	52.6%	30.97	18.31	64.1%	9.70%
Quebec-Tel	(25.9)	20.34	12.57	61.8%	32.91	21.57		8.70%
Telebec	(15.3)	32.05	8.79	27.4%	40.83	15.07		7.68%
Northern Tel	(4.7)	23.75	6.78	28.5%	30.53	11.63		9.64%
Thunder Bay	(2.3)	10.93	1.60	14.6%	12.53	2.74		5.38%
'edmonton tel'	(18.3)	19.24	3.08	16.0%	22.32	5.29		5.12%
Prince Rupert	(0.3)	19.70	1.87	9.5%	21.57	3.20		5.95%
NorthwesTel	(11.8)	12.92	11.45	88.6%	24.37	19.64		9.81%
Total or Mean	(86.4)	19.54	5.39	27.6%	24.94	9.25		9.07%
Unweighted Average		19.90	7.10	35.7%	27.00	12.18		7.75%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(7.9)	20.30	5.08	25.0%	25.38	8.72	69.6%
Quebec-Tel	(25.9)	20.34	6.23	30.6%	26.57	10.69	
Telebec	(15.3)	32.05	3.99	12.5%	36.04	6.84	
Northern Tel	(4.7)	23.75	3.71	15.6%	27.46	6.36	
Thunder Bay	(2.3)	10.93	1.07	9.7%	11.99	1.83	
'edmonton tel'	(18.3)	19.24	2.05	10.6%	21.28	3.51	
Prince Rupert	(0.3)	19.70	1.03	5.2%	20.73	1.77	
NorthwesTel	(11.8)	12.92	8.72	67.5%	21.64	14.95	
Total or Mean	(86.4)	19.54	3.16	16.2%	22.70	5.42	
Unweighted Average		19.90	3.98	20.0%	23.89	6.83	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates
discounted by 58.30%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(7.9)	8.14	4.28	52.6%	12.42	7.34	85.3%	13.68
Quebec-Tel	(25.9)	7.64	4.72	61.8%	12.37	8.10		10.61
Telebec	(15.3)	11.13	3.05	27.4%	14.19	5.24		6.82
Northern Tel	(4.7)	8.97	2.56	28.5%	11.53	4.39		8.28
Thunder Bay	(2.3)	4.63	0.68	14.6%	5.31	1.16		4.46
'edmonton tel'	(18.3)	6.94	1.11	16.0%	8.05	1.91		4.39
Prince Rupert	(0.3)	8.52	0.81	9.5%	9.32	1.39		2.91
NorthwesTel	(11.8)	6.46	5.72	88.6%	12.18	9.82		14.60
Total or Mean	(86.4)	7.97	2.85	35.8%	10.82	4.89		7.57
Unweighted Average		7.80	2.87	36.7%	10.67	4.92		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(7.9)	8.14	5.08	62.5%	13.23	8.72	83.8%
Quebec-Tel	(25.9)	7.64	6.23	81.6%	13.87	10.69	
Telebec	(15.3)	11.13	3.99	35.8%	15.12	6.84	
Northern Tel	(4.7)	8.97	3.71	41.3%	12.68	6.36	
Thunder Bay	(2.3)	4.63	1.07	23.0%	5.70	1.83	
'edmonton tel'	(18.3)	6.94	2.05	29.5%	8.99	3.51	
Prince Rupert	(0.3)	8.52	1.03	12.1%	9.54	1.77	
NorthwesTel	(11.8)	6.46	8.72	134.9%	15.18	14.95	
Total or Mean	(86.4)	7.97	3.97	49.8%	11.94	6.81	
Unweighted Average		7.80	3.98	51.0%	11.79	6.83	

REBALANCED RATES

Bell/B.C.Tel Only

R(B)

2. REBALANCED RATES

Bell/B.C.Tel Only **R(B)**

SEQUENCE OF TABLES

0% rate discount by Competitor
- 10% market loss by Telcos
- 20% market loss by Telcos

10% rate discount by Competitor
- 10% market loss by Telcos
- 20% market loss by Telcos

25% rate discount by Competitor
- 10% market loss by Telcos
- 20% market loss by Telcos

Maximum rate discount by Competitor
(no contribution payment)
- 10% market loss by Telcos
- 20% market loss by Telcos

For explanation of Tables, see Pages III-1 to III-7 of the Final Report

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED	
Geographic Areas of Competition:	Bell-B.C.Tel Only	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
Market Lost to Competition:	0.0%	
Productivity Improvement:	0.0%	Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(0.0)	50.71	0.00	0.0%	50.71	NA	NA	0.00%
Island Tel	0.0	42.98	0.00	0.0%	42.98	NA	NA	0.00%
MT&T	0.0	39.69	0.00	0.0%	39.69	NA	NA	0.00%
NBTel	(0.0)	54.14	0.00	0.0%	54.14	NA	NA	0.00%
Bell	0.0	51.57	0.00	0.0%	51.57	NA	NA	0.00%
Manitoba Tel	0.0	30.40	0.00	0.0%	30.40	NA	NA	0.00%
SaskTel	(0.0)	32.67	0.00	0.0%	32.67	NA	NA	0.00%
AGT	(0.0)	42.59	0.00	0.0%	42.59	NA	NA	0.00%
B.C. Tel	0.0	58.08	0.00	0.0%	58.08	NA	NA	0.00%
Total or Mean	0.0	48.96	0.00	0.0%	48.96	NA		0.00%
Unweighted Average		44.76	0.00	0.0%	44.76	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(0.0)	50.71	0.00	0.0%	50.71	NA	NA
Island Tel	0.0	42.98	0.00	0.0%	42.98	NA	NA
MT&T	0.0	39.69	0.00	0.0%	39.69	NA	NA
NBTel	(0.0)	54.14	0.00	0.0%	54.14	NA	NA
Bell	0.0	51.57	0.00	0.0%	51.57	NA	NA
Manitoba Tel	0.0	30.40	0.00	0.0%	30.40	NA	NA
SaskTel	(0.0)	32.67	0.00	0.0%	32.67	NA	NA
AGT	(0.0)	42.59	0.00	0.0%	42.59	NA	NA
B.C. Tel	0.0	58.08	0.00	0.0%	58.08	NA	NA
Total or Mean	0.0	48.96	0.00	0.0%	48.96	NA	
Unweighted Average		44.76	0.00	0.0%	44.76	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Productivity Improvement: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(0.0)	15.27	0.00	0.0%	15.27	NA	NA	NA
Island Tel	0.0	14.34	0.00	0.0%	14.34	NA	NA	NA
MT&T	0.0	15.33	0.00	0.0%	15.33	NA	NA	NA
NBTel	(0.0)	15.32	0.00	0.0%	15.32	NA	NA	NA
Bell	0.0	15.26	0.00	0.0%	15.26	NA	NA	NA
Manitoba Tel	0.0	10.37	0.00	0.0%	10.37	NA	NA	NA
SaskTel	(0.0)	11.62	0.00	0.0%	11.62	NA	NA	NA
AGT	(0.0)	15.33	0.00	0.0%	15.33	NA	NA	NA
B.C. Tel	0.0	16.86	0.00	0.0%	16.86	NA	NA	NA
Total or Mean	0.0	15.09	0.00	0.0%	15.09	NA		NA
Unweighted Average		14.41	0.00	0.0%	14.41	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(0.0)	15.27	0.00	0.0%	15.27	NA	NA
Island Tel	0.0	14.34	0.00	0.0%	14.34	NA	NA
MT&T	0.0	15.33	0.00	0.0%	15.33	NA	NA
NBTel	(0.0)	15.32	0.00	0.0%	15.32	NA	NA
Bell	0.0	15.26	0.00	0.0%	15.26	NA	NA
Manitoba Tel	0.0	10.37	0.00	0.0%	10.37	NA	NA
SaskTel	(0.0)	11.62	0.00	0.0%	11.62	NA	NA
AGT	(0.0)	15.33	0.00	0.0%	15.33	NA	NA
B.C. Tel	0.0	16.86	0.00	0.0%	16.86	NA	NA
Total or Mean	0.0	15.09	0.00	0.0%	15.09	NA	
Unweighted Average		14.41	0.00	0.0%	14.41	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 6.06 cts/min 18.9% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(0.1)	50.71	0.05	0.1%	50.76	NA	NA	0.02%
Island Tel	(0.0)	42.98	0.04	0.1%	43.02	NA	NA	0.03%
MT&T	(0.2)	39.69	0.04	0.1%	39.73	NA	NA	0.03%
NBTel	(1.1)	54.14	0.45	0.8%	54.60	NA	NA	0.23%
Bell	(96.4)	51.57	1.60	3.1%	53.17	NA	NA	0.87%
Manitoba Tel	(1.6)	30.40	0.28	0.9%	30.68	NA	NA	0.19%
SaskTel	(1.2)	32.67	0.23	0.7%	32.90	NA	NA	0.13%
AGT	(3.2)	42.59	0.31	0.7%	42.90	NA	NA	0.15%
B.C. Tel	(41.6)	58.08	3.37	5.8%	61.45	NA	NA	1.69%
Total or Mean	(145.5)	48.96	1.45	3.0%	50.41	NA		0.76%
Unweighted Average		44.76	0.71	1.6%	45.47	NA		0.37%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(0.1)	50.71	0.02	0.0%	50.73	NA	NA
Island Tel	(0.0)	42.98	0.02	0.0%	43.00	NA	NA
MT&T	(0.2)	39.69	0.02	0.1%	39.71	NA	NA
NBTel	(1.1)	54.14	0.19	0.4%	54.33	NA	NA
Bell	(96.4)	51.57	0.73	1.4%	52.30	NA	NA
Manitoba Tel	(1.6)	30.40	0.15	0.5%	30.55	NA	NA
SaskTel	(1.2)	32.67	0.12	0.4%	32.80	NA	NA
AGT	(3.2)	42.59	0.17	0.4%	42.76	NA	NA
B.C. Tel	(41.6)	58.08	1.56	2.7%	59.64	NA	NA
Total or Mean	(145.5)	48.96	0.67	1.4%	49.63	NA	
Unweighted Average		44.76	0.33	0.7%	45.09	NA	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	MIXED	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	6.06 cts/min	18.9% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(0.1)	15.27	0.01	0.1%	15.28	NA	NA	NA
Island Tel	(0.0)	14.34	0.01	0.1%	14.36	NA	NA	NA
MT&T	(0.2)	15.33	0.02	0.1%	15.35	NA	NA	NA
NBTel	(1.1)	15.32	0.13	0.8%	15.45	NA	NA	NA
Bell	(96.4)	15.26	0.47	3.1%	15.73	NA	NA	8.99
Manitoba Tel	(1.6)	10.37	0.09	0.9%	10.47	NA	NA	NA
SaskTel	(1.2)	11.62	0.08	0.7%	11.70	NA	NA	NA
AGT	(3.2)	15.33	0.11	0.7%	15.45	NA	NA	NA
B.C. Tel	(41.6)	16.86	0.98	5.8%	17.84	NA	NA	14.95
Total or Mean	(145.5)	15.09	0.44	2.9%	15.53	NA		9.82
Unweighted Average		14.41	0.21	1.5%	14.62	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(0.1)	15.27	0.02	0.2%	15.29	NA	NA
Island Tel	(0.0)	14.34	0.02	0.1%	14.36	NA	NA
MT&T	(0.2)	15.33	0.02	0.1%	15.35	NA	NA
NBTel	(1.1)	15.32	0.19	1.2%	15.51	NA	NA
Bell	(96.4)	15.26	0.73	4.8%	15.99	NA	NA
Manitoba Tel	(1.6)	10.37	0.15	1.4%	10.52	NA	NA
SaskTel	(1.2)	11.62	0.12	1.1%	11.74	NA	NA
AGT	(3.2)	15.33	0.17	1.1%	15.50	NA	NA
B.C. Tel	(41.6)	16.86	1.56	9.2%	18.42	NA	NA
Total or Mean	(145.5)	15.09	0.69	4.6%	15.78	NA	
Unweighted Average		14.41	0.33	2.3%	14.74	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 6.74 cts/min 20.9% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	0.4	50.71	-0.27	-0.5%	50.45	NA	NA	-0.13%
Island Tel	0.1	42.98	-0.23	-0.5%	42.75	NA	NA	-0.17%
MT&T	1.0	39.69	-0.23	-0.6%	39.46	NA	NA	-0.15%
NBTel	(1.7)	54.14	0.68	1.3%	54.82	NA	NA	0.34%
Bell	(150.1)	51.57	2.49	4.8%	54.06	NA	NA	1.37%
Manitoba Tel	(2.2)	30.40	0.38	1.2%	30.78	NA	NA	0.26%
SaskTel	(0.9)	32.67	0.17	0.5%	32.84	NA	NA	0.10%
AGT	(2.5)	42.59	0.24	0.6%	42.84	NA	NA	0.12%
B.C. Tel	(81.2)	58.08	6.57	11.3%	64.65	NA	NA	3.36%
Total or Mean	(237.2)	48.96	2.37	4.8%	51.33	NA		1.26%
Unweighted Average		44.76	1.09	2.4%	45.85	NA		0.57%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	0.4	50.71	-0.14	-0.3%	50.58	NA	NA
Island Tel	0.1	42.98	-0.11	-0.3%	42.87	NA	NA
MT&T	1.0	39.69	-0.12	-0.3%	39.57	NA	NA
NBTel	(1.7)	54.14	0.29	0.5%	54.43	NA	NA
Bell	(150.1)	51.57	1.14	2.2%	52.71	NA	NA
Manitoba Tel	(2.2)	30.40	0.20	0.7%	30.60	NA	NA
SaskTel	(0.9)	32.67	0.09	0.3%	32.77	NA	NA
AGT	(2.5)	42.59	0.14	0.3%	42.73	NA	NA
B.C. Tel	(81.2)	58.08	3.04	5.2%	61.12	NA	NA
Total or Mean	(237.2)	48.96	1.09	2.2%	50.06	NA	
Unweighted Average		44.76	0.50	1.1%	45.26	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 6.74 cts/min 20.9% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	0.4	15.27	-0.08	-0.5%	15.19	NA	NA	NA
Island Tel	0.1	14.34	-0.08	-0.5%	14.27	NA	NA	NA
MT&T	1.0	15.33	-0.09	-0.6%	15.24	NA	NA	NA
NBTel	(1.7)	15.32	0.19	1.3%	15.52	NA	NA	NA
Bell	(150.1)	15.26	0.74	4.8%	15.99	NA	NA	9.03
Manitoba Tel	(2.2)	10.37	0.13	1.2%	10.50	NA	NA	NA
SaskTel	(0.9)	11.62	0.06	0.5%	11.68	NA	NA	NA
AGT	(2.5)	15.33	0.09	0.6%	15.42	NA	NA	NA
B.C. Tel	(81.2)	16.86	1.91	11.3%	18.77	NA	NA	15.59
Total or Mean	(237.2)	15.09	0.72	4.8%	15.81	NA		9.81
Unweighted Average		14.41	0.32	2.2%	14.73	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	0.4	15.27	-0.14	-0.9%	15.13	NA	NA
Island Tel	0.1	14.34	-0.11	-0.8%	14.23	NA	NA
MT&T	1.0	15.33	-0.12	-0.8%	15.21	NA	NA
NBTel	(1.7)	15.32	0.29	1.9%	15.61	NA	NA
Bell	(150.1)	15.26	1.14	7.5%	16.40	NA	NA
Manitoba Tel	(2.2)	10.37	0.20	1.9%	10.57	NA	NA
SaskTel	(0.9)	11.62	0.09	0.8%	11.71	NA	NA
AGT	(2.5)	15.33	0.14	0.9%	15.47	NA	NA
B.C. Tel	(81.2)	16.86	3.04	18.0%	19.91	NA	NA
Total or Mean	(237.2)	15.09	1.13	7.5%	16.22	NA	
Unweighted Average		14.41	0.50	3.5%	14.92	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED		
Geographic Areas of Competition:	Bell-B.C.Tel Only		
Rate Structure:	REBALANCED RATES		
Contribution Charge:	4.69 cts/min	14.6% of Telco rate.	
Market Lost to Competition:	-10.0%		
Productivity Improvement:	0.0%	Competing rates discounted by	10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
			($)	(%)				
Nfld Tel	(0.4)	50.71	0.25	0.5%	50.96	NA	NA	0.13%
Island Tel	(0.1)	42.98	0.22	0.5%	43.20	NA	NA	0.16%
MT&T	(0.9)	39.69	0.22	0.5%	39.91	NA	NA	0.14%
NBTel	(1.5)	54.14	0.60	1.1%	54.74	NA	NA	0.30%
Bell	(125.9)	51.57	2.09	4.0%	53.66	20.87	74.3%	1.13%
Manitoba Tel	(2.3)	30.40	0.38	1.3%	30.78	NA	NA	0.26%
SaskTel	(2.1)	32.67	0.39	1.2%	33.07	NA	NA	0.22%
AGT	(5.4)	42.59	0.52	1.2%	43.12	NA	NA	0.26%
B.C. Tel	(45.2)	58.08	3.66	6.3%	61.74	36.58	65.6%	1.84%
Total or Mean	(183.8)	48.96	1.82	3.7%	50.78	18.20		0.97%
Unweighted Average		44.76	0.93	2.1%	45.69	9.25		0.49%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(0.4)	50.71	0.13	0.3%	50.84	NA	NA
Island Tel	(0.1)	42.98	0.11	0.2%	43.09	NA	NA
MT&T	(0.9)	39.69	0.11	0.3%	39.81	NA	NA
NBTel	(1.5)	54.14	0.25	0.5%	54.39	NA	NA
Bell	(125.9)	51.57	0.96	1.9%	52.53	9.59	83.1%
Manitoba Tel	(2.3)	30.40	0.20	0.7%	30.60	NA	NA
SaskTel	(2.1)	32.67	0.21	0.6%	32.88	NA	NA
AGT	(5.4)	42.59	0.29	0.7%	42.88	NA	NA
B.C. Tel	(45.2)	58.08	1.69	2.9%	59.77	16.94	77.8%
Total or Mean	(183.8)	48.96	0.85	1.7%	49.81	8.46	
Unweighted Average		44.76	0.44	1.0%	45.20	4.39	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	MIXED	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	4.69 cts/min	14.6% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(0.4)	15.27	0.08	0.5%	15.35	NA	NA	NA
Island Tel	(0.1)	14.34	0.07	0.5%	14.42	NA	NA	NA
MT&T	(0.9)	15.33	0.08	0.5%	15.42	NA	NA	NA
NBTel	(1.5)	15.32	0.17	1.1%	15.49	NA	NA	NA
Bell	(125.9)	15.26	0.62	4.0%	15.88	6.17	72.6%	8.26
Manitoba Tel	(2.3)	10.37	0.13	1.3%	10.50	NA	NA	NA
SaskTel	(2.1)	11.62	0.14	1.2%	11.76	NA	NA	NA
AGT	(5.4)	15.33	0.19	1.2%	15.52	NA	NA	NA
B.C. Tel	(45.2)	16.86	1.06	6.3%	17.93	10.62	72.3%	13.71
Total or Mean	(183.8)	15.09	0.56	3.7%	15.65	5.59		9.12
Unweighted Average		14.41	0.28	2.0%	14.69	2.82		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(0.4)	15.27	0.13	0.8%	15.40	NA	NA
Island Tel	(0.1)	14.34	0.11	0.7%	14.45	NA	NA
MT&T	(0.9)	15.33	0.11	0.7%	15.45	NA	NA
NBTel	(1.5)	15.32	0.25	1.6%	15.57	NA	NA
Bell	(125.9)	15.26	0.96	6.3%	16.22	9.59	64.1%
Manitoba Tel	(2.3)	10.37	0.20	1.9%	10.57	NA	NA
SaskTel	(2.1)	11.62	0.21	1.8%	11.83	NA	NA
AGT	(5.4)	15.33	0.29	1.9%	15.62	NA	NA
B.C. Tel	(45.2)	16.86	1.69	10.0%	18.56	16.94	63.2%
Total or Mean	(183.8)	15.09	0.87	5.8%	15.96	8.73	
Unweighted Average		14.41	0.44	3.0%	14.85	4.39	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 5.31 cts/min 16.5% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(0.2)	50.71	0.16	0.3%	50.87	NA	NA	0.08%
Island Tel	(0.1)	42.98	0.14	0.3%	43.12	NA	NA	0.10%
MT&T	(0.6)	39.69	0.14	0.4%	39.83	NA	NA	0.09%
NBTel	(2.4)	54.14	0.98	1.8%	55.13	NA	NA	0.49%
Bell	(210.1)	51.57	3.48	6.8%	55.05	34.84	65.6%	1.92%
Manitoba Tel	(3.5)	30.40	0.60	2.0%	31.00	NA	NA	0.41%
SaskTel	(2.7)	32.67	0.51	1.6%	33.18	NA	NA	0.29%
AGT	(7.2)	42.59	0.69	1.6%	43.28	NA	NA	0.34%
B.C. Tel	(88.0)	58.08	7.12	12.3%	65.20	71.19	51.5%	3.64%
Total or Mean	(314.9)	48.96	3.13	6.4%	52.09	31.26		1.68%
Unweighted Average		44.76	1.54	3.4%	46.30	15.36		0.82%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

Nfld Tel	(0.2)	50.71	0.08	0.2%	50.79	NA	NA
Island Tel	(0.1)	42.98	0.07	0.2%	43.05	NA	NA
MT&T	(0.6)	39.69	0.07	0.2%	39.76	NA	NA
NBTel	(2.4)	54.14	0.41	0.8%	54.56	NA	NA
Bell	(210.1)	51.57	1.60	3.1%	53.17	16.01	77.9%
Manitoba Tel	(3.5)	30.40	0.31	1.0%	30.71	NA	NA
SaskTel	(2.7)	32.67	0.27	0.8%	32.95	NA	NA
AGT	(7.2)	42.59	0.38	0.9%	42.97	NA	NA
B.C. Tel	(88.0)	58.08	3.30	5.7%	61.37	32.96	67.6%
Total or Mean	(314.9)	48.96	1.45	3.0%	50.41	14.50	
Unweighted Average		44.76	0.72	1.6%	45.48	7.22	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 5.31 cts/min 16.5% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(0.2)	15.27	0.05	0.3%	15.32	NA	NA	NA
Island Tel	(0.1)	14.34	0.05	0.3%	14.39	NA	NA	NA
MT&T	(0.6)	15.33	0.05	0.4%	15.39	NA	NA	NA
NBTel	(2.4)	15.32	0.28	1.8%	15.60	NA	NA	NA
Bell	(210.1)	15.26	1.03	6.8%	16.29	10.31	62.3%	8.30
Manitoba Tel	(3.5)	10.37	0.20	2.0%	10.58	NA	NA	NA
SaskTel	(2.7)	11.62	0.18	1.6%	11.80	NA	NA	NA
AGT	(7.2)	15.33	0.25	1.6%	15.58	NA	NA	NA
B.C. Tel	(88.0)	16.86	2.07	12.3%	18.93	20.67	58.1%	14.26
Total or Mean	(314.9)	15.09	0.96	6.4%	16.05	9.59		9.11
Unweighted Average		14.41	0.46	3.2%	14.87	4.62		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(0.2)	15.27	0.08	0.5%	15.35	NA	NA
Island Tel	(0.1)	14.34	0.07	0.5%	14.41	NA	NA
MT&T	(0.6)	15.33	0.07	0.5%	15.41	NA	NA
NBTel	(2.4)	15.32	0.41	2.7%	15.74	NA	NA
Bell	(210.1)	15.26	1.60	10.5%	16.86	16.01	49.0%
Manitoba Tel	(3.5)	10.37	0.31	3.0%	10.68	NA	NA
SaskTel	(2.7)	11.62	0.27	2.4%	11.89	NA	NA
AGT	(7.2)	15.33	0.38	2.5%	15.71	NA	NA
B.C. Tel	(88.0)	16.86	3.30	19.5%	20.16	32.96	44.2%
Total or Mean	(314.9)	15.09	1.50	9.9%	16.59	14.99	
Unweighted Average		14.41	0.72	5.0%	15.14	7.22	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 2.61 cts/min 8.1% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(0.9)	50.71	0.62	1.2%	51.33	NA	NA	0.31%
Island Tel	(0.3)	42.98	0.54	1.3%	43.52	NA	NA	0.40%
MT&T	(2.3)	39.69	0.54	1.4%	40.23	NA	NA	0.35%
NBTel	(2.1)	54.14	0.86	1.6%	55.00	NA	NA	0.43%
Bell	(179.0)	51.57	2.97	5.8%	54.54	11.87	81.2%	1.61%
Manitoba Tel	(3.4)	30.40	0.57	1.9%	30.97	NA	NA	0.39%
SaskTel	(3.7)	32.67	0.69	2.1%	33.36	NA	NA	0.39%
AGT	(9.4)	42.59	0.91	2.1%	43.50	NA	NA	0.45%
B.C. Tel	(51.7)	58.08	4.18	7.2%	62.26	16.73	77.9%	2.10%
Total or Mean	(252.9)	48.96	2.50	5.1%	51.46	9.98		1.33%
Unweighted Average		44.76	1.32	2.9%	46.08	5.28		0.71%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(0.9)	50.71	0.32	0.6%	51.03	NA	NA
Island Tel	(0.3)	42.98	0.26	0.6%	43.24	NA	NA
MT&T	(2.3)	39.69	0.28	0.7%	39.97	NA	NA
NBTel	(2.1)	54.14	0.36	0.7%	54.50	NA	NA
Bell	(179.0)	51.57	1.36	2.6%	52.93	5.46	86.9%
Manitoba Tel	(3.4)	30.40	0.30	1.0%	30.70	NA	NA
SaskTel	(3.7)	32.67	0.37	1.1%	33.04	NA	NA
AGT	(9.4)	42.59	0.50	1.2%	43.10	NA	NA
B.C. Tel	(51.7)	58.08	1.94	3.3%	60.02	7.75	85.1%
Total or Mean	(252.9)	48.96	1.16	2.4%	50.13	4.65	
Unweighted Average		44.76	0.63	1.4%	45.39	2.53	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED		
Geographic Areas of Competition:	Bell-B.C.Tel Only		
Rate Structure:	REBALANCED RATES		
Contribution Charge:	2.61 cts/min	8.1% of Telco rate.	
Market Lost to Competition:	-10.0%		
Productivity Improvement:	0.0%	Competing rates discounted by	25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(0.9)	15.27	0.19	1.2%	15.46	NA	NA	NA
Island Tel	(0.3)	14.34	0.18	1.3%	14.52	NA	NA	NA
MT&T	(2.3)	15.33	0.21	1.4%	15.54	NA	NA	NA
NBTel	(2.1)	15.32	0.24	1.6%	15.57	NA	NA	NA
Bell	(179.0)	15.26	0.88	5.8%	16.14	3.51	78.3%	7.13
Manitoba Tel	(3.4)	10.37	0.19	1.9%	10.57	NA	NA	NA
SaskTel	(3.7)	11.62	0.24	2.1%	11.86	NA	NA	NA
AGT	(9.4)	15.33	0.33	2.1%	15.66	NA	NA	NA
B.C. Tel	(51.7)	16.86	1.21	7.2%	18.08	4.86	80.1%	11.77
Total or Mean	(252.9)	15.09	0.77	5.1%	15.86	3.08		8.03
Unweighted Average		14.41	0.41	2.8%	14.82	1.63		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(0.9)	15.27	0.32	2.1%	15.59	NA	NA
Island Tel	(0.3)	14.34	0.26	1.8%	14.60	NA	NA
MT&T	(2.3)	15.33	0.28	1.8%	15.61	NA	NA
NBTel	(2.1)	15.32	0.36	2.4%	15.68	NA	NA
Bell	(179.0)	15.26	1.36	8.9%	16.62	5.46	74.2%
Manitoba Tel	(3.4)	10.37	0.30	2.9%	10.67	NA	NA
SaskTel	(3.7)	11.62	0.37	3.2%	11.99	NA	NA
AGT	(9.4)	15.33	0.50	3.3%	15.84	NA	NA
B.C. Tel	(51.7)	16.86	1.94	11.5%	18.80	7.75	76.3%
Total or Mean	(252.9)	15.09	1.20	7.9%	16.29	4.79	
Unweighted Average		14.41	0.63	4.4%	15.05	2.53	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED	
Geographic Areas of Competition:	Bell-B.C.Tel Only	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	3.19 cts/min	9.9% of Telco rate.
Market Lost to Competition:	-20.0%	
Productivity Improvement:	0.0%	Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.4)	50.71	0.91	1.8%	51.62	NA	NA	0.45%
Island Tel	(0.4)	42.98	0.79	1.8%	43.77	NA	NA	0.58%
MT&T	(3.4)	39.69	0.78	2.0%	40.48	NA	NA	0.51%
NBTel	(3.7)	54.14	1.51	2.8%	55.65	NA	NA	0.75%
Bell	(315.0)	51.57	5.22	10.1%	56.79	20.89	74.3%	2.88%
Manitoba Tel	(5.8)	30.40	0.97	3.2%	31.38	NA	NA	0.67%
SaskTel	(5.9)	32.67	1.10	3.4%	33.78	NA	NA	0.62%
AGT	(15.2)	42.59	1.46	3.4%	44.06	NA	NA	0.73%
B.C. Tel	(99.7)	58.08	8.07	13.9%	66.15	32.29	67.9%	4.13%
Total or Mean	(450.6)	48.96	4.45	9.1%	53.42	17.81		2.40%
Unweighted Average		44.76	2.31	5.2%	47.07	9.26		1.26%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(1.4)	50.71	0.46	0.9%	51.17	NA	NA
Island Tel	(0.4)	42.98	0.38	0.9%	43.36	NA	NA
MT&T	(3.4)	39.69	0.41	1.0%	40.10	NA	NA
NBTel	(3.7)	54.14	0.63	1.2%	54.78	NA	NA
Bell	(315.0)	51.57	2.40	4.7%	53.97	9.60	83.1%
Manitoba Tel	(5.8)	30.40	0.51	1.7%	30.91	NA	NA
SaskTel	(5.9)	32.67	0.59	1.8%	33.27	NA	NA
AGT	(15.2)	42.59	0.81	1.9%	43.40	NA	NA
B.C. Tel	(99.7)	58.08	3.74	6.4%	61.82	14.95	79.2%
Total or Mean	(450.6)	48.96	2.07	4.2%	51.04	8.29	
Unweighted Average		44.76	1.10	2.5%	45.87	4.42	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 3.19 cts/min 9.9% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(1.4)	15.27	0.27	1.8%	15.54	NA	NA	NA
Island Tel	(0.4)	14.34	0.26	1.8%	14.61	NA	NA	NA
MT&T	(3.4)	15.33	0.30	2.0%	15.63	NA	NA	NA
NBTel	(3.7)	15.32	0.43	2.8%	15.75	NA	NA	NA
Bell	(315.0)	15.26	1.55	10.1%	16.80	6.18	72.6%	7.17
Manitoba Tel	(5.8)	10.37	0.33	3.2%	10.70	NA	NA	NA
SaskTel	(5.9)	11.62	0.39	3.4%	12.01	NA	NA	NA
AGT	(15.2)	15.33	0.53	3.4%	15.86	NA	NA	NA
B.C. Tel	(99.7)	16.86	2.34	13.9%	19.21	9.38	74.1%	12.21
Total or Mean	(450.6)	15.09	1.37	9.1%	16.46	5.48		8.02
Unweighted Average		14.41	0.71	4.9%	15.12	2.85		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(1.4)	15.27	0.46	3.0%	15.73	NA	NA
Island Tel	(0.4)	14.34	0.38	2.7%	14.72	NA	NA
MT&T	(3.4)	15.33	0.41	2.7%	15.75	NA	NA
NBTel	(3.7)	15.32	0.63	4.1%	15.96	NA	NA
Bell	(315.0)	15.26	2.40	15.7%	17.66	9.60	64.1%
Manitoba Tel	(5.8)	10.37	0.51	4.9%	10.88	NA	NA
SaskTel	(5.9)	11.62	0.59	5.1%	12.21	NA	NA
AGT	(15.2)	15.33	0.81	5.3%	16.14	NA	NA
B.C. Tel	(99.7)	16.86	3.74	22.2%	20.60	14.95	66.0%
Total or Mean	(450.6)	15.09	2.14	14.2%	17.23	8.55	
Unweighted Average		14.41	1.10	7.7%	15.52	4.42	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%
Competing rates discounted by 44.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS				BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
		BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)			
Nfld Tel	(1.9)	50.71	1.24	2.5%	51.95	NA	NA	0.62%
Island Tel	(0.6)	42.98	1.08	2.5%	44.06	NA	NA	0.80%
MT&T	(4.6)	39.69	1.07	2.7%	40.76	NA	NA	0.69%
NBTel	(3.2)	54.14	1.30	2.4%	55.44	NA	NA	0.64%
Bell	(268.2)	51.57	4.45	8.6%	56.02	9.99	82.8%	2.41%
Manitoba Tel	(5.3)	30.40	0.89	2.9%	31.29	NA	NA	0.61%
SaskTel	(6.4)	32.67	1.18	3.6%	33.86	NA	NA	0.67%
AGT	(16.2)	42.59	1.55	3.6%	44.15	NA	NA	0.77%
B.C. Tel	(62.6)	58.08	5.06	8.7%	63.14	11.38	82.0%	2.54%
Total or Mean	(368.8)	48.96	3.63	7.4%	52.59	8.16		1.94%
Unweighted Average		44.76	1.98	4.4%	46.74	4.45		1.08%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(1.9)	50.71	0.63	1.3%	51.34	NA	NA
Island Tel	(0.6)	42.98	0.52	1.2%	43.50	NA	NA
MT&T	(4.6)	39.69	0.57	1.4%	40.26	NA	NA
NBTel	(3.2)	54.14	0.55	1.0%	54.69	NA	NA
Bell	(268.2)	51.57	2.04	4.0%	53.61	4.59	87.8%
Manitoba Tel	(5.3)	30.40	0.47	1.5%	30.87	NA	NA
SaskTel	(6.4)	32.67	0.64	1.9%	33.31	NA	NA
AGT	(16.2)	42.59	0.86	2.0%	43.45	NA	NA
B.C. Tel	(62.6)	58.08	2.34	4.0%	60.42	5.27	87.3%
Total or Mean	(368.8)	48.96	1.69	3.5%	50.66	3.81	
Unweighted Average		44.76	0.96	2.1%	45.72	2.15	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 44.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(1.9)	15.27	0.37	2.5%	15.64	NA	NA	NA
Island Tel	(0.6)	14.34	0.36	2.5%	14.70	NA	NA	NA
MT&T	(4.6)	15.33	0.41	2.7%	15.75	NA	NA	NA
NBTel	(3.2)	15.32	0.37	2.4%	15.69	NA	NA	NA
Bell	(268.2)	15.26	1.32	8.6%	16.57	2.96	79.3%	5.56
Manitoba Tel	(5.3)	10.37	0.30	2.9%	10.68	NA	NA	NA
SaskTel	(6.4)	11.62	0.42	3.6%	12.04	NA	NA	NA
AGT	(16.2)	15.33	0.56	3.6%	15.89	NA	NA	NA
B.C. Tel	(62.6)	16.86	1.47	8.7%	18.34	3.30	81.9%	9.12
Total or Mean	(368.8)	15.09	1.12	7.4%	16.21	2.52		6.50
Unweighted Average		14.41	0.62	4.3%	15.03	1.39		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(1.9)	15.27	0.63	4.2%	15.90	NA	NA
Island Tel	(0.6)	14.34	0.52	3.6%	14.86	NA	NA
MT&T	(4.6)	15.33	0.57	3.7%	15.90	NA	NA
NBTel	(3.2)	15.32	0.55	3.6%	15.87	NA	NA
Bell	(268.2)	15.26	2.04	13.4%	17.30	4.59	76.1%
Manitoba Tel	(5.3)	10.37	0.47	4.5%	10.84	NA	NA
SaskTel	(6.4)	11.62	0.64	5.5%	12.25	NA	NA
AGT	(16.2)	15.33	0.86	5.6%	16.19	NA	NA
B.C. Tel	(62.6)	16.86	2.34	13.9%	19.21	5.27	79.6%
Total or Mean	(368.8)	15.09	1.74	11.6%	16.83	3.92	
Unweighted Average		14.41	0.96	6.6%	15.37	2.15	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0%

Competing rates discounted by 47.90%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.7)	50.71	2.47	4.9%	53.18	NA	NA	1.23%
Island Tel	(1.2)	42.98	2.14	5.0%	45.12	NA	NA	1.59%
MT&T	(9.1)	39.69	2.13	5.4%	41.82	NA	NA	1.38%
NBTel	(6.5)	54.14	2.61	4.8%	56.76	NA	NA	1.30%
Bell	(533.9)	51.57	8.85	17.2%	60.42	18.48	76.0%	4.88%
Manitoba Tel	(10.5)	30.40	1.77	5.8%	32.17	NA	NA	1.21%
SaskTel	(12.6)	32.67	2.34	7.2%	35.01	NA	NA	1.32%
AGT	(32.1)	42.59	3.08	7.2%	45.68	NA	NA	1.53%
B.C. Tel	(124.3)	58.08	10.06	17.3%	68.14	21.01	74.9%	5.15%
Total or Mean	(733.8)	48.96	7.22	14.8%	56.19	15.08		3.91%
Unweighted Average		44.76	3.94	8.8%	48.70	8.23		2.18%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(3.7)	50.71	1.26	2.5%	51.97	NA	NA
Island Tel	(1.2)	42.98	1.03	2.4%	44.02	NA	NA
MT&T	(9.1)	39.69	1.12	2.8%	40.82	NA	NA
NBTel	(6.5)	54.14	1.10	2.0%	55.24	NA	NA
Bell	(533.9)	51.57	4.07	7.9%	55.64	8.49	84.1%
Manitoba Tel	(10.5)	30.40	0.93	3.1%	31.33	NA	NA
SaskTel	(12.6)	32.67	1.26	3.9%	33.93	NA	NA
AGT	(32.1)	42.59	1.70	4.0%	44.30	NA	NA
B.C. Tel	(124.3)	58.08	4.66	8.0%	62.74	9.72	83.4%
Total or Mean	(733.8)	48.96	3.37	6.9%	52.33	7.04	
Unweighted Average		44.76	1.90	4.3%	46.66	3.97	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 47.90%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.7)	15.27	0.74	4.9%	16.01	NA	NA	NA
Island Tel	(1.2)	14.34	0.71	5.0%	15.06	NA	NA	NA
MT&T	(9.1)	15.33	0.82	5.4%	16.15	NA	NA	NA
NBTel	(6.5)	15.32	0.74	4.8%	16.06	NA	NA	NA
Bell	(533.9)	15.26	2.62	17.2%	17.88	5.47	74.2%	5.33
Manitoba Tel	(10.5)	10.37	0.60	5.8%	10.98	NA	NA	NA
SaskTel	(12.6)	11.62	0.83	7.2%	12.45	NA	NA	NA
AGT	(32.1)	15.33	1.11	7.2%	16.44	NA	NA	NA
B.C. Tel	(124.3)	16.86	2.92	17.3%	19.79	6.10	78.6%	8.87
Total or Mean	(733.8)	15.09	2.23	14.8%	17.32	4.66		6.21
Unweighted Average		14.41	1.23	8.6%	15.65	2.58		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(3.7)	15.27	1.26	8.3%	16.53	NA	NA
Island Tel	(1.2)	14.34	1.03	7.2%	15.38	NA	NA
MT&T	(9.1)	15.33	1.12	7.3%	16.46	NA	NA
NBTel	(6.5)	15.32	1.10	7.2%	16.42	NA	NA
Bell	(533.9)	15.26	4.07	26.7%	19.33	8.49	66.9%
Manitoba Tel	(10.5)	10.37	0.93	9.0%	11.30	NA	NA
SaskTel	(12.6)	11.62	1.26	10.8%	12.88	NA	NA
AGT	(32.1)	15.33	1.70	11.1%	17.04	NA	NA
B.C. Tel	(124.3)	16.86	4.66	27.6%	21.52	9.72	73.6%
Total or Mean	(733.8)	15.09	3.47	23.0%	18.56	7.24	
Unweighted Average		14.41	1.90	13.2%	16.32	3.97	

REBALANCED RATES

Telecom Canada Members

R(T)

2. REBALANCED RATES

Telecom Canada Members R(T)

SEQUENCE OF TABLES

0% rate discount by Competitor
  10% market loss by Telecos
  20% market loss by Telecos

10% rate discount by Competitor
  10% market loss by Telecos
  20% market loss by Telecos

25% rate discount by Competitor
  10% market loss by Telecos
  20% market loss by Telecos

Maximum rate discount by Competitor
(no contribution payment)
  10% market loss by Telecos
  20% market loss by Telecos

For explanation of Tables, see Pages III-1 to III-7 of the Final Report

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED		
Geographic Areas of Competition:	Telecom Canada Members		
Rate Structure:	REBALANCED RATES		
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.	
Market Lost to Competition:	0.0%		
Productivity Improvement:	0.0%	Competing rates discounted by	0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	0.0	59.44	0.00	0.0%	59.44	NA		0.00%
Island Tel	0.0	46.10	0.00	0.0%	46.10	NA	NA	0.00%
MT&T	(0.0)	44.58	0.00	0.0%	44.58	NA	NA	0.00%
NBTel	0.0	59.85	0.00	0.0%	59.85	NA	NA	0.00%
Bell	(0.0)	51.91	0.00	0.0%	51.91	NA	NA	0.00%
Manitoba Tel	0.0	34.34	0.00	0.0%	34.34	NA		0.00%
SaskTel	0.0	39.61	0.00	0.0%	39.61	NA		0.00%
AGT	(0.0)	51.28	0.00	0.0%	51.28	NA	NA	0.00%
B.C. Tel	(0.0)	58.65	0.00	0.0%	58.65	NA	NA	0.00%
Total or Mean	(0.0)	51.11	0.00	0.0%	51.11	NA		0.00%
Unweighted Average		49.53	0.00	0.0%	49.53	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	0.0	59.44	0.00	0.0%	59.44	NA	
Island Tel	0.0	46.10	0.00	0.0%	46.10	NA	NA
MT&T	(0.0)	44.58	0.00	0.0%	44.58	NA	NA
NBTel	0.0	59.85	0.00	0.0%	59.85	NA	NA
Bell	(0.0)	51.91	0.00	0.0%	51.91	NA	NA
Manitoba Tel	0.0	34.34	0.00	0.0%	34.34	NA	
SaskTel	0.0	39.61	0.00	0.0%	39.61	NA	
AGT	(0.0)	51.28	0.00	0.0%	51.28	NA	NA
B.C. Tel	(0.0)	58.65	0.00	0.0%	58.65	NA	NA
Total or Mean	(0.0)	51.11	0.00	0.0%	51.11	NA	
Unweighted Average		49.53	0.00	0.0%	49.53	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	0.0	17.90	0.00	0.0%	17.90	NA		NA
Island Tel	0.0	15.38	0.00	0.0%	15.38	NA	NA	NA
MT&T	(0.0)	17.22	0.00	0.0%	17.22	NA	NA	NA
NBTel	0.0	16.94	0.00	0.0%	16.94	NA	NA	NA
Bell	(0.0)	15.36	0.00	0.0%	15.36	NA	NA	NA
Manitoba Tel	0.0	11.72	0.00	0.0%	11.72	NA		NA
SaskTel	0.0	14.08	0.00	0.0%	14.08	NA		NA
AGT	(0.0)	18.46	0.00	0.0%	18.46	NA	NA	NA
B.C. Tel	(0.0)	17.03	0.00	0.0%	17.03	NA	NA	NA
Total or Mean	(0.0)	15.72	0.00	0.0%	15.72	NA		NA
Unweighted Average		16.01	0.00	0.0%	16.01	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	0.0	17.90	0.00	0.0%	17.90	NA	
Island Tel	0.0	15.38	0.00	0.0%	15.38	NA	NA
MT&T	(0.0)	17.22	0.00	0.0%	17.22	NA	NA
NBTel	0.0	16.94	0.00	0.0%	16.94	NA	NA
Bell	(0.0)	15.36	0.00	0.0%	15.36	NA	NA
Manitoba Tel	0.0	11.72	0.00	0.0%	11.72	NA	
SaskTel	0.0	14.08	0.00	0.0%	14.08	NA	
AGT	(0.0)	18.46	0.00	0.0%	18.46	NA	NA
B.C. Tel	(0.0)	17.03	0.00	0.0%	17.03	NA	NA
Total or Mean	(0.0)	15.72	0.00	0.0%	15.72	NA	
Unweighted Average		16.01	0.00	0.0%	16.01	NA	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	MIXED	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	5.56 cts/min	17.7% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.7)	59.44	2.47	4.2%	61.91	NA		1.25%
Island Tel	(0.8)	46.10	1.50	3.2%	47.60	NA	NA	1.13%
MT&T	(8.8)	44.58	2.06	4.6%	46.64	NA	NA	1.34%
NBTel	(7.4)	59.85	2.98	5.0%	62.83	NA	NA	1.49%
Bell	(135.3)	51.91	2.24	4.3%	54.15	NA	NA	1.22%
Manitoba Tel	(2.6)	34.34	0.44	1.3%	34.77	NA		0.30%
SaskTel	(12.2)	39.61	2.27	5.7%	41.87	NA		1.29%
AGT	(31.6)	51.28	3.04	5.9%	54.32	NA	NA	1.52%
B.C. Tel	(34.5)	58.65	2.80	4.8%	61.45	NA	NA	1.41%
Total or Mean	(236.9)	51.11	2.30	4.5%	53.41	NA		1.25%
Unweighted Average		49.53	2.20	4.4%	51.73	NA		1.22%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(3.7)	59.44	1.26	2.1%	60.70	NA	
Island Tel	(0.8)	46.10	0.72	1.6%	46.82	NA	NA
MT&T	(8.8)	44.58	1.08	2.4%	45.67	NA	NA
NBTel	(7.4)	59.85	1.25	2.1%	61.10	NA	NA
Bell	(135.3)	51.91	1.03	2.0%	52.94	NA	NA
Manitoba Tel	(2.6)	34.34	0.23	0.7%	34.57	NA	
SaskTel	(12.2)	39.61	1.22	3.1%	40.83	NA	
AGT	(31.6)	51.28	1.68	3.3%	52.95	NA	NA
B.C. Tel	(34.5)	58.65	1.29	2.2%	59.95	NA	NA
Total or Mean	(236.9)	51.11	1.10	2.2%	52.21	NA	
Unweighted Average		49.53	1.09	2.2%	50.61	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 5.56 cts/min 17.7% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.7)	17.90	0.74	4.2%	18.64	NA		10.91
Island Tel	(0.8)	15.38	0.50	3.2%	15.88	NA	NA	8.70
MT&T	(8.8)	17.22	0.79	4.6%	18.01	NA	NA	10.14
NBTel	(7.4)	16.94	0.84	5.0%	17.78	NA	NA	9.29
Bell	(135.3)	15.36	0.66	4.3%	16.02	NA	NA	9.32
Manitoba Tel	(2.6)	11.72	0.15	1.3%	11.86	NA		6.35
SaskTel	(12.2)	14.08	0.81	5.7%	14.89	NA		9.41
AGT	(31.6)	18.46	1.09	5.9%	19.55	NA	NA	12.08
B.C. Tel	(34.5)	17.03	0.81	4.8%	17.84	NA	NA	10.03
Total or Mean	(236.9)	15.72	0.71	4.5%	16.43	NA		9.52
Unweighted Average		16.01	0.71	4.4%	16.72	NA		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

Nfld Tel	(3.7)	17.90	1.26	7.0%	19.16	NA	
Island Tel	(0.8)	15.38	0.72	4.7%	16.11	NA	NA
MT&T	(8.8)	17.22	1.08	6.3%	18.31	NA	NA
NBTel	(7.4)	16.94	1.25	7.4%	18.19	NA	NA
Bell	(135.3)	15.36	1.03	6.7%	16.39	NA	NA
Manitoba Tel	(2.6)	11.72	0.23	2.0%	11.94	NA	
SaskTel	(12.2)	14.08	1.22	8.7%	15.30	NA	
AGT	(31.6)	18.46	1.68	9.1%	20.14	NA	NA
B.C. Tel	(34.5)	17.03	1.29	7.6%	18.33	NA	NA
Total or Mean	(236.9)	15.72	1.09	7.0%	16.81	NA	
Unweighted Average		16.01	1.09	6.8%	17.10	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED		
Geographic Areas of Competition:	Telecom Canada Members		
Rate Structure:	REBALANCED RATES		
Contribution Charge:	6.28 cts/min	20.0% of Telco rate.	
Market Lost to Competition:	-20.0%		
Productivity Improvement:	0.0%	Competing rates discounted by	0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(5.9)	59.44	3.97	6.7%	63.42	NA		2.07%
Island Tel	(1.2)	46.10	2.29	5.0%	48.38	NA	NA	1.76%
MT&T	(14.4)	44.58	3.36	7.5%	47.94	NA	NA	2.25%
NBTel	(12.3)	59.85	4.95	8.3%	64.80	NA	NA	2.54%
Bell	(209.1)	51.91	3.47	6.7%	55.37	NA	NA	1.92%
Manitoba Tel	(1.1)	34.34	0.18	0.5%	34.52	NA		0.13%
SaskTel	(19.9)	39.61	3.70	9.4%	43.31	NA		2.16%
AGT	(53.3)	51.28	5.12	10.0%	56.40	NA	NA	2.63%
B.C. Tel	(54.8)	58.65	4.43	7.6%	63.09	NA	NA	2.30%
Total or Mean	(371.9)	51.11	3.61	7.1%	54.72	NA		2.01%
Unweighted Average		49.53	3.50	7.1%	53.03	NA		1.97%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(5.9)	59.44	2.02	3.4%	61.47	NA	
Island Tel	(1.2)	46.10	1.10	2.4%	47.20	NA	NA
MT&T	(14.4)	44.58	1.77	4.0%	46.36	NA	NA
NBTel	(12.3)	59.85	2.08	3.5%	61.93	NA	NA
Bell	(209.1)	51.91	1.59	3.1%	53.50	NA	NA
Manitoba Tel	(1.1)	34.34	0.10	0.3%	34.43	NA	
SaskTel	(19.9)	39.61	1.99	5.0%	41.60	NA	
AGT	(53.3)	51.28	2.82	5.5%	54.10	NA	NA
B.C. Tel	(54.8)	58.65	2.05	3.5%	60.71	NA	NA
Total or Mean	(371.9)	51.11	1.73	3.4%	52.84	NA	
Unweighted Average		49.53	1.73	3.5%	51.25	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 6.28 cts/min 20.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(5.9)	17.90	1.20	6.7%	19.10	NA		10.58
Island Tel	(1.2)	15.38	0.76	5.0%	16.14	NA	NA	8.68
MT&T	(14.4)	17.22	1.30	7.5%	18.52	NA	NA	10.03
NBTel	(12.3)	16.94	1.40	8.3%	18.34	NA	NA	9.38
Bell	(209.1)	15.36	1.03	6.7%	16.38	NA	NA	9.18
Manitoba Tel	(1.1)	11.72	0.06	0.5%	11.78	NA		6.45
SaskTel	(19.9)	14.08	1.32	9.4%	15.40	NA		9.42
AGT	(53.3)	18.46	1.84	10.0%	20.30	NA	NA	11.77
B.C. Tel	(54.8)	17.03	1.29	7.6%	18.32	NA	NA	9.83
Total or Mean	(371.9)	15.72	1.11	7.0%	16.83	NA		9.39
Unweighted Average		16.01	1.13	7.1%	17.14	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(5.9)	17.90	2.02	11.3%	19.92	NA	
Island Tel	(1.2)	15.38	1.10	7.2%	16.49	NA	NA
MT&T	(14.4)	17.22	1.77	10.3%	18.99	NA	NA
NBTel	(12.3)	16.94	2.08	12.3%	19.02	NA	NA
Bell	(209.1)	15.36	1.59	10.4%	16.95	NA	NA
Manitoba Tel	(1.1)	11.72	0.10	0.8%	11.81	NA	
SaskTel	(19.9)	14.08	1.99	14.2%	16.08	NA	
AGT	(53.3)	18.46	2.82	15.3%	21.29	NA	NA
B.C. Tel	(54.8)	17.03	2.05	12.1%	19.08	NA	NA
Total or Mean	(371.9)	15.72	1.71	10.9%	17.43	NA	
Unweighted Average		16.01	1.73	10.8%	17.74	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 4.19 cts/min 13.3% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(4.6)	59.44	3.12	5.2%	62.56	31.16		1.58%
Island Tel	(1.1)	46.10	1.97	4.3%	48.07	19.71	59.6%	1.48%
MT&T	(11.0)	44.58	2.57	5.8%	47.15	25.70	56.7%	1.68%
NBTel	(9.1)	59.85	3.67	6.1%	63.51	36.65	54.7%	1.83%
Bell	(175.7)	51.91	2.91	5.6%	54.82	29.13	68.9%	1.58%
Manitoba Tel	(5.4)	34.34	0.91	2.7%	35.25	9.12		0.63%
SaskTel	(15.3)	39.61	2.85	7.2%	42.46	28.52		1.62%
AGT	(38.4)	51.28	3.68	7.2%	54.96	36.84	55.6%	1.84%
B.C. Tel	(44.2)	58.65	3.58	6.1%	62.23	35.78	66.0%	1.81%
Total or Mean	(304.7)	51.11	2.96	5.8%	54.07	29.62		1.61%
Unweighted Average		49.53	2.81	5.7%	52.33	28.07		1.56%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

Nfld Tel	(4.6)	59.44	1.59	2.7%	61.03	15.88	
Island Tel	(1.1)	46.10	0.95	2.1%	47.05	9.52	67.9%
MT&T	(11.0)	44.58	1.36	3.0%	45.94	13.56	64.6%
NBTel	(9.1)	59.85	1.54	2.6%	61.39	15.41	72.2%
Bell	(175.7)	51.91	1.34	2.6%	53.24	13.38	79.9%
Manitoba Tel	(5.4)	34.34	0.48	1.4%	34.82	4.79	
SaskTel	(15.3)	39.61	1.54	3.9%	41.14	15.35	
AGT	(38.4)	51.28	2.03	4.0%	53.31	20.33	68.4%
B.C. Tel	(44.2)	58.65	1.66	2.8%	60.31	16.57	78.0%
Total or Mean	(304.7)	51.11	1.42	2.8%	52.53	14.17	
Unweighted Average		49.53	1.39	2.8%	50.91	13.87	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 4.19 cts/min 13.3% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%
Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(4.6)	17.90	0.94	5.2%	18.84	9.38		10.50
Island Tel	(1.1)	15.38	0.66	4.3%	16.04	6.58	72.8%	8.05
MT&T	(11.0)	17.22	0.99	5.8%	18.21	9.93	69.8%	9.54
NBTel	(9.1)	16.94	1.04	6.1%	17.97	10.37	64.2%	8.48
Bell	(175.7)	15.36	0.86	5.6%	16.22	8.62	66.6%	8.74
Manitoba Tel	(5.4)	11.72	0.31	2.7%	12.03	3.11		5.73
SaskTel	(15.3)	14.08	1.01	7.2%	15.10	10.14		8.71
AGT	(38.4)	18.46	1.33	7.2%	19.79	13.26	67.6%	11.57
B.C. Tel	(44.2)	17.03	1.04	6.1%	18.07	10.39	72.6%	9.53
Total or Mean	(304.7)	15.72	0.91	5.8%	16.63	9.09		8.94
Unweighted Average		16.01	0.91	5.7%	16.92	9.09		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

Nfld Tel	(4.6)	17.90	1.59	8.9%	19.49	15.88	
Island Tel	(1.1)	15.38	0.95	6.2%	16.33	9.52	67.9%
MT&T	(11.0)	17.22	1.36	7.9%	18.58	13.56	63.0%
NBTel	(9.1)	16.94	1.54	9.1%	18.48	15.41	52.4%
Bell	(175.7)	15.36	1.34	8.7%	16.70	13.38	54.9%
Manitoba Tel	(5.4)	11.72	0.48	4.1%	12.19	4.79	
SaskTel	(15.3)	14.08	1.54	10.9%	15.62	15.35	
AGT	(38.4)	18.46	2.03	11.0%	20.49	20.33	59.2%
B.C. Tel	(44.2)	17.03	1.66	9.7%	18.69	16.57	63.7%
Total or Mean	(304.7)	15.72	1.41	8.9%	17.13	14.06	
Unweighted Average		16.01	1.39	8.7%	17.40	13.87	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 4.86 cts/min 15.5% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(7.9)	59.44	5.27	8.9%	64.71	52.70		2.75%
Island Tel	(1.7)	46.10	3.24	7.0%	49.33	32.35	52.1%	2.49%
MT&T	(18.8)	44.58	4.39	9.8%	48.97	43.91	48.3%	2.94%
NBTel	(15.7)	59.85	6.32	10.6%	66.17	63.24	41.9%	3.24%
Bell	(290.3)	51.91	4.81	9.3%	56.72	48.14	59.1%	2.66%
Manitoba Tel	(6.8)	34.34	1.14	3.3%	35.48	11.39		0.81%
SaskTel	(26.2)	39.61	4.87	12.3%	44.48	48.70		2.84%
AGT	(66.7)	51.28	6.41	12.5%	57.69	64.10	41.9%	3.30%
B.C. Tel	(74.2)	58.65	6.00	10.2%	64.66	60.05	55.3%	3.11%
Total or Mean	(508.2)	51.11	4.94	9.7%	56.05	49.38		2.74%
Unweighted Average		49.53	4.72	9.5%	54.25	47.18		2.68%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(7.9)	59.44	2.69	4.5%	62.13	26.86	
Island Tel	(1.7)	46.10	1.56	3.4%	47.66	15.63	62.6%
MT&T	(18.8)	44.58	2.32	5.2%	46.90	23.17	58.1%
NBTel	(15.7)	59.85	2.66	4.4%	62.50	26.59	61.8%
Bell	(290.3)	51.91	2.21	4.3%	54.12	22.12	73.4%
Manitoba Tel	(6.8)	34.34	0.60	1.7%	34.94	5.98	
SaskTel	(26.2)	39.61	2.62	6.6%	42.23	26.22	
AGT	(66.7)	51.28	3.54	6.9%	54.82	35.38	56.6%
B.C. Tel	(74.2)	58.65	2.78	4.7%	61.43	27.80	70.5%
Total or Mean	(508.2)	51.11	2.36	4.6%	53.47	23.64	
Unweighted Average		49.53	2.33	4.7%	51.86	23.30	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	MIXED	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	4.86 cts/min	15.5% of Telco rate.
	Market Lost to Competition:	-20.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(7.9)	17.90	1.59	8.9%	19.49	15.87		10.19
Island Tel	(1.7)	15.38	1.08	7.0%	16.46	10.80	65.8%	8.03
MT&T	(18.8)	17.22	1.70	9.8%	18.92	16.96	57.0%	9.43
NBTel	(15.7)	16.94	1.79	10.6%	18.73	17.90	47.5%	8.56
Bell	(290.3)	15.36	1.42	9.3%	16.78	14.24	52.9%	8.62
Manitoba Tel	(6.8)	11.72	0.39	3.3%	12.10	3.89		5.82
SaskTel	(26.2)	14.08	1.73	12.3%	15.81	17.32		8.72
AGT	(66.7)	18.46	2.31	12.5%	20.77	23.08	56.4%	11.28
B.C. Tel	(74.2)	17.03	1.74	10.2%	18.78	17.44	62.5%	9.34
Total or Mean	(508.2)	15.72	1.52	9.6%	17.23	15.15		8.82
Unweighted Average		16.01	1.53	9.5%	17.54	15.28		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(7.9)	17.90	2.69	15.0%	20.59	26.86	
Island Tel	(1.7)	15.38	1.56	10.2%	16.94	15.63	58.7%
MT&T	(18.8)	17.22	2.32	13.5%	19.54	23.17	47.2%
NBTel	(15.7)	16.94	2.66	15.7%	19.60	26.59	34.5%
Bell	(290.3)	15.36	2.21	14.4%	17.57	22.12	37.8%
Manitoba Tel	(6.8)	11.72	0.60	5.1%	12.31	5.98	
SaskTel	(26.2)	14.08	2.62	18.6%	16.70	26.22	
AGT	(66.7)	18.46	3.54	19.2%	22.00	35.38	45.9%
B.C. Tel	(74.2)	17.03	2.78	16.3%	19.81	27.80	49.5%
Total or Mean	(508.2)	15.72	2.34	14.9%	18.06	23.44	
Unweighted Average		16.01	2.33	14.6%	18.34	23.30	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 2.16 cts/min 6.9% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(6.3)	59.44	4.25	7.2%	63.70	17.01		2.16%
Island Tel	(1.5)	46.10	2.80	6.1%	48.90	11.20	66.4%	2.10%
MT&T	(14.8)	44.58	3.47	7.8%	48.05	13.89	64.3%	2.27%
NBTel	(12.0)	59.85	4.87	8.1%	64.71	19.47	68.1%	2.44%
Bell	(246.4)	51.91	4.09	7.9%	55.99	16.34	77.6%	2.22%
Manitoba Tel	(10.4)	34.34	1.75	5.1%	36.09	6.99		1.21%
SaskTel	(20.8)	39.61	3.87	9.8%	43.48	15.49		2.20%
AGT	(50.1)	51.28	4.82	9.4%	56.09	19.26	69.4%	2.40%
B.C. Tel	(61.2)	58.65	4.95	8.4%	63.61	19.81	75.7%	2.50%
Total or Mean	(423.6)	51.11	4.12	8.1%	55.23	16.48		2.23%
Unweighted Average		49.53	3.87	7.8%	53.40	15.50		2.17%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(6.3)	59.44	2.17	3.6%	61.61	8.67	
Island Tel	(1.5)	46.10	1.35	2.9%	47.45	5.41	72.3%
MT&T	(14.8)	44.58	1.83	4.1%	46.41	7.33	70.0%
NBTel	(12.0)	59.85	2.05	3.4%	61.89	8.19	81.1%
Bell	(246.4)	51.91	1.88	3.6%	53.78	7.51	85.0%
Manitoba Tel	(10.4)	34.34	0.92	2.7%	35.26	3.67	
SaskTel	(20.8)	39.61	2.08	5.3%	41.69	8.34	
AGT	(50.1)	51.28	2.66	5.2%	53.94	10.63	78.4%
B.C. Tel	(61.2)	58.65	2.29	3.9%	60.95	9.17	83.9%
Total or Mean	(423.6)	51.11	1.97	3.9%	53.08	7.88	
Unweighted Average		49.53	1.91	3.9%	51.44	7.66	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 2.16 cts/min 6.9% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(6.3)	17.90	1.28	7.2%	19.18	5.12		9.81
Island Tel	(1.5)	15.38	0.93	6.1%	16.32	3.74	77.9%	7.03
MT&T	(14.8)	17.22	1.34	7.8%	18.56	5.36	77.9%	8.58
NBTel	(12.0)	16.94	1.38	8.1%	18.31	5.51	77.3%	7.21
Bell	(246.4)	15.36	1.21	7.9%	16.57	4.84	75.6%	7.83
Manitoba Tel	(10.4)	11.72	0.60	5.1%	12.31	2.39		4.79
SaskTel	(20.8)	14.08	1.38	9.8%	15.46	5.51		7.61
AGT	(50.1)	18.46	1.73	9.4%	20.19	6.93	76.3%	10.73
B.C. Tel	(61.2)	17.03	1.44	8.4%	18.47	5.75	79.0%	8.73
Total or Mean	(423.6)	15.72	1.26	8.0%	16 98	5.06		8.03
Unweighted Average		16.01	1.25	7.8%	17.26	5.02		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

Nfld Tel	(6.3)	17.90	2.17	12.1%	20.07	8.67	
Island Tel	(1.5)	15.38	1.35	8.8%	16.74	5.41	74.9%
MT&T	(14.8)	17.22	1.83	10.6%	19.05	7.33	74.6%
NBTel	(12.0)	16.94	2.05	12.1%	18.98	8.19	70.0%
Bell	(246.4)	15.36	1.88	12.2%	17.23	7.51	69.3%
Manitoba Tel	(10.4)	11.72	0.92	7.8%	12.63	3.67	
SaskTel	(20.8)	14.08	2.08	14.8%	16.17	8.34	
AGT	(50.1)	18.46	2.66	14.4%	21.12	10.63	71.1%
B.C. Tel	(61.2)	17.03	2.29	13.5%	19.32	9.17	74.3%
Total or Mean	(423.6)	15.72	1.96	12.4%	17.68	7.83	
Unweighted Average		16.01	1.91	12.0%	17.92	7.66	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED	
Geographic Areas of Competition:	Telecom Canada Members	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	2.78 cts/min	8.9% of Telco rate.
Market Lost to Competition:	-20.0%	
Productivity Improvement:	0.0%	Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(11.2)	59.44	7.51	12.6%	66.95	30.03		3.92%
Island Tel	(2.6)	46.10	4.87	10.6%	50.97	19.48	59.8%	3.75%
MT&T	(26.4)	44.58	6.17	13.8%	50.75	24.67	57.2%	4.14%
NBTel	(21.5)	59.85	8.69	14.5%	68.54	34.76	55.9%	4.45%
Bell	(430.3)	51.91	7.13	13.7%	59.04	28.54	69.3%	3.95%
Manitoba Tel	(16.5)	34.34	2.78	8.1%	37.12	11.14		1.98%
SaskTel	(36.9)	39.61	6.88	17.4%	46.48	27.52		4.01%
AGT	(89.9)	51.28	8.64	16.8%	59.92	34.55	57.1%	4.44%
B.C. Tel	(107.6)	58.65	8.71	14.8%	67.36	34.84	66.5%	4.51%
Total or Mean	(743.0)	51.11	7.22	14.1%	58.33	28.90		4.01%
Unweighted Average		49.53	6.82	13.8%	56.35	27.28		3.91%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(11.2)	59.44	3.83	6.4%	63.27	15.31	
Island Tel	(2.6)	46.10	2.35	5.1%	48.45	9.41	68.0%
MT&T	(26.4)	44.58	3.25	7.3%	47.84	13.02	65.0%
NBTel	(21.5)	59.85	3.65	6.1%	63.50	14.61	73.1%
Bell	(430.3)	51.91	3.28	6.3%	55.18	13.11	80.2%
Manitoba Tel	(16.5)	34.34	1.46	4.3%	35.80	5.85	
SaskTel	(36.9)	39.61	3.70	9.4%	43.31	14.81	
AGT	(89.9)	51.28	4.77	9.3%	56.04	19.07	69.6%
B.C. Tel	(107.6)	58.65	4.03	6.9%	62.69	16.13	78.4%
Total or Mean	(743.0)	51.11	3.45	6.8%	54.56	13.82	
Unweighted Average		49.53	3.37	6.8%	52.90	13.48	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED	
Geographic Areas of Competition:	Telecom Canada Members	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	2.78 cts/min	8.9% of Telco rate
Market Lost to Competition:	-20.0%	
Productivity Improvement:	0.0%	Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(11.2)	17.90	2.26	12.6%	20.16	9.04		9.53
Island Tel	(2.6)	15.38	1.62	10.6%	17.01	6.50	73.0%	7.01
MT&T	(26.4)	17.22	2.38	13.8%	19.60	9.53	70.5%	8.48
NBTel	(21.5)	16.94	2.46	14.5%	19.40	9.84	65.5%	7.29
Bell	(430.3)	15.36	2.11	13.7%	17.47	8.44	67.0%	7.73
Manitoba Tel	(16.5)	11.72	0.95	8.1%	12.67	3.80		4.87
SaskTel	(36.9)	14.08	2.45	17.4%	16.53	9.78		7.62
AGT	(89.9)	18.46	3.11	16.8%	21.57	12.44	68.6%	10.47
B.C. Tel	(107.6)	17.03	2.53	14.8%	19.56	10.12	73.0%	8.56
Total or Mean	(743.0)	15.72	2.22	14.1%	17.94	8.87		7.93
Unweighted Average		16.01	2.21	13.8%	18.22	8.83		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(11.2)	17.90	3.83	21.4%	21.73	15.31	
Island Tel	(2.6)	15.38	2.35	15.3%	17.73	9.41	68.0%
MT&T	(26.4)	17.22	3.25	18.9%	20.48	13.02	64.0%
NBTel	(21.5)	16.94	3.65	21.6%	20.59	14.61	54.1%
Bell	(430.3)	15.36	3.28	21.3%	18.64	13.11	55.5%
Manitoba Tel	(16.5)	11.72	1.46	12.5%	13.18	5.85	
SaskTel	(36.9)	14.08	3.70	26.3%	17.79	14.81	
AGT	(89.9)	18.46	4.77	25.8%	23.23	19.07	60.6%
B.C. Tel	(107.6)	17.03	4.03	23.7%	21.06	16.13	64.3%
Total or Mean	(743.0)	15.72	3.43	21.8%	19.15	13.72	
Unweighted Average		16.01	3.37	21.1%	19.38	13.48	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED		
Geographic Areas of Competition:	Telecom Canada Members		
Rate Structure:	REBALANCED RATES		
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.	
Market Lost to Competition:	-10.0%		
Productivity Improvement:	0.0%	Competing rates discounted by	41.30%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(8.7)	59.44	5.83	9.8%	65.27	14.11		2.96%
Island Tel	(2.1)	46.10	3.95	8.6%	50.05	9.56	67.9%	2.97%
MT&T	(20.2)	44.58	4.72	10.6%	49.30	11.43	66.3%	3.08%
NBTel	(16.2)	59.85	6.53	10.9%	66.38	15.81	71.8%	3.27%
Bell	(344.2)	51.91	5.71	11.0%	57.61	13.82	79.6%	3.10%
Manitoba Tel	(17.2)	34.34	2.90	8.5%	37.24	7.03		2.00%
SaskTel	(28.4)	39.61	5.29	13.3%	44.89	12.80		3.00%
AGT	(66.4)	51.28	6.38	12.4%	57.66	15.45	73.2%	3.18%
B.C. Tel	(84.7)	58.65	6.85	11.7%	65.51	16.60	78.0%	3.46%
Total or Mean	(588.1)	51.11	5.72	11.2%	56.83	13.85		3.10%
Unweighted Average		49.53	5.35	10.8%	54.88	12.96		3.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(8.7)	59.44	2.97	5.0%	62.41	7.19	
Island Tel	(2.1)	46.10	1.91	4.1%	48.01	4.62	73.2%
MT&T	(20.2)	44.58	2.49	5.6%	47.07	6.03	71.2%
NBTel	(16.2)	59.85	2.75	4.6%	62.59	6.65	83.3%
Bell	(344.2)	51.91	2.62	5.1%	54.53	6.35	86.1%
Manitoba Tel	(17.2)	34.34	1.53	4.4%	35.86	3.69	
SaskTel	(28.4)	39.61	2.85	7.2%	42.45	6.89	
AGT	(66.4)	51.28	3.52	6.9%	54.80	8.53	80.8%
B.C. Tel	(84.7)	58.65	3.17	5.4%	61.83	7.68	85.2%
Total or Mean	(588.1)	51.11	2.73	5.3%	53.84	6.62	
Unweighted Average		49.53	2.64	5.3%	52.17	6.40	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	MIXED	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 41.30%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(8.7)	17.90	1.75	9.8%	19.65	4.25		8.93
Island Tel	(2.1)	15.38	1.32	8.6%	16.70	3.19	78.9%	5.85
MT&T	(20.2)	17.22	1.82	10.6%	19.04	4.41	79.4%	7.45
NBTel	(16.2)	16.94	1.85	10.9%	18.79	4.48	80.1%	5.78
Bell	(344.2)	15.36	1.69	11.0%	17.05	4.09	77.2%	6.76
Manitoba Tel	(17.2)	11.72	0.99	8.5%	12.71	2.40		3.72
SaskTel	(28.4)	14.08	1.88	13.3%	15.96	4.55		6.34
AGT	(66.4)	18.46	2.30	12.4%	20.76	5.56	78.2%	9.68
B.C. Tel	(84.7)	17.03	1.99	11.7%	19.02	4.82	80.2%	7.75
Total or Mean	(588.1)	15.72	1.76	11.2%	17.48	4.25		6.95
Unweighted Average		16.01	1.73	10.8%	17.74	4.19		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(8.7)	17.90	2.97	16.6%	20.87	7.19	
Island Tel	(2.1)	15.38	1.91	12.4%	17.29	4.62	76.3%
MT&T	(20.2)	17.22	2.49	14.5%	19.71	6.03	76.8%
NBTel	(16.2)	16.94	2.75	16.2%	19.68	6.65	74.2%
Bell	(344.2)	15.36	2.62	17.1%	17.98	6.35	72.2%
Manitoba Tel	(17.2)	11.72	1.53	13.0%	13.24	3.69	
SaskTel	(28.4)	14.08	2.85	20.2%	16.93	6.89	
AGT	(66.4)	18.46	3.52	19.1%	21.98	8.53	74.0%
B.C. Tel	(84.7)	17.03	3.17	18.6%	20.20	7.68	76.4%
Total or Mean	(588.1)	15.72	2.72	17.3%	18.44	6.58	
Unweighted Average		16.01	2.64	16.5%	18.65	6.40	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	MIXED	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-20.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 45.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(17.2)	59.44	11.56	19.4%	71.00	25.68		6.03%
Island Tel	(4.2)	46.10	7.82	17.0%	53.92	17.39	61.3%	6.03%
MT&T	(40.1)	44.58	9.38	21.0%	53.96	20.84	59.5%	6.29%
NBTel	(32.1)	59.85	12.97	21.7%	72.82	28.83	60.1%	6.64%
Bell	(683.4)	51.91	11.33	21.8%	63.24	25.18	71.4%	6.27%
Manitoba Tel	(34.2)	34.34	5.76	16.8%	40.10	12.80		4.09%
SaskTel	(56.5)	39.61	10.52	26.6%	50.12	23.37		6.13%
AGT	(131.9)	51.28	12.67	24.7%	63.94	28.15	61.8%	6.51%
B.C. Tel	(168.1)	58.65	13.60	23.2%	72.26	30.23	69.1%	7.05%
Total or Mean	(1,167.7)	51.11	11.36	22.2%	62.47	25.24		6.30%
Unweighted Average		49.53	10.62	21.4%	60.15	23.61		6.12%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(17.2)	59.44	5.89	9.9%	65.34	13.09	
Island Tel	(4.2)	46.10	3.78	8.2%	49.88	8.40	69.0%
MT&T	(40.1)	44.58	4.95	11.1%	49.53	11.00	66.7%
NBTel	(32.1)	59.85	5.45	9.1%	65.30	12.12	76.0%
Bell	(683.4)	51.91	5.21	10.0%	57.11	11.57	81.4%
Manitoba Tel	(34.2)	34.34	3.03	8.8%	37.36	6.72	
SaskTel	(56.5)	39.61	5.66	14.3%	45.27	12.58	
A6T	(131.9)	51.28	6.99	13.6%	58.27	15.53	73.1%
B.C. Tel	(168.1)	58.65	6.30	10.7%	64.95	13.99	80.0%
Total or Mean	(1,167.7)	51.11	5.43	10.6%	56.54	12.06	
Unweighted Average		49.53	5.25	10.6%	54.78	11.67	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 45.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(17.2)	17.90	3.48	19.4%	21.38	7.73		8.49
Island Tel	(4.2)	15.38	2.61	17.0%	17.99	5.80	74.2%	5.56
MT&T	(40.1)	17.22	3.62	21.0%	20.84	8.05	73.3%	7.09
NBTel	(32.1)	16.94	3.67	21.7%	20.61	6.16	70.0%	5.51
Bell	(683.4)	15.36	3.35	21.8%	18.71	7.45	69.5%	6.43
Manitoba Tel	(34.2)	11.72	1.97	16.8%	13.68	4.37		3.54
SaskTel	(56.5)	14.08	3.74	26.6%	17.82	8.31		6.05
AGT	(131.9)	18.46	4.56	24.7%	23.02	10.13	71.7%	9.21
B.C. Tel	(168.1)	17.03	3.95	23.2%	20.98	8.78	74.9%	7.37
Total or Mean	(1,167.7)	15.72	3.49	22.2%	19.21	7.75		6.61
Unweighted Average		16.01	3.44	21.5%	19.45	7.64		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(17.2)	17.90	5.89	32.9%	23.79	13.09	
Island Tel	(4.2)	15.38	3.78	24.6%	19.16	8.40	69.7%
MT&T	(40.1)	17.22	4.95	28.7%	22.17	11.00	67.8%
NBTel	(32.1)	16.94	5.45	32.2%	22.39	12.12	59.8%
Bell	(683.4)	15.36	5.21	33.9%	20.56	11.57	59.2%
Manitoba Tel	(34.2)	11.72	3.03	25.8%	14.74	6.72	
SaskTel	(56.5)	14.08	5.66	40.2%	19.74	12.58	
AGT	(131.9)	18.46	6.99	37.9%	25.45	15.53	64.7%
B.C. Tel	(168.1)	17.03	6.30	37.0%	23.33	13.99	67.4%
Total or Mean	(1,167.7)	15.72	5.40	34.3%	21.12	11.99	
Unweighted Average		16.01	5.25	32.8%	21.26	11.67	

REBALANCED RATES

All Canada

R(A)

2. REBALANCED RATES

All Canada

R(A)

SEQUENCE OF TABLES

0% rate discount by Competitor
- 10% market loss by Telcos
- 20% market loss by Telcos

10% rate discount by Competitor
- 10% market loss by Telcos
- 20% market loss by Telcos

25% rate discount by Competitor
- 10% market loss by Telcos
- 20% market loss by Telcos

Maximum rate discount by Competitor
(no contribution payment)
- 10% market loss by Telcos
- 20% market loss by Telcos

For explanation of Tables, see Pages III-1 to III-7 of the Final Report

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED		
Geographic Areas of Competition:	All Canada		
Rate Structure:	REBALANCED RATES		
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.	
Market Lost to Competition:	0.0%		
		Competing rates discounted by	0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	0.0	59.44	0.00	0.0%	59.44	NA		0.00%
Island Tel	0.0	46.10	0.00	0.0%	46.10	NA	NA	0.00%
MT&T	(0.0)	44.58	0.00	0.0%	44.58	NA	NA	0.00%
NBTel	0.0	59.85	0.00	0.0%	59.85	NA	NA	0.00%
Bell	(0.0)	51.91	0.00	0.0%	51.91	NA	NA	0.00%
Manitoba Tel	0.0	34.34	0.00	0.0%	34.34	NA		0.00%
SaskTel	0.0	39.61	0.00	0.0%	39.61	NA		0.00%
AGT	(0.0)	51.28	0.00	0.0%	51.28	NA	NA	0.00%
B.C. Tel	(0.0)	58.65	0.00	0.0%	58.65	NA	NA	0.00%
Total or Mean	(0.0)	51.11	0.00	0.0%	51.11	NA		0.00%
Unweighted Average		49.53	0.00	0.0%	49.53	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	0.0	59.44	0.00	0.0%	59.44	NA	
Island Tel	0.0	46.10	0.00	0.0%	46.10	NA	NA
MT&T	(0.0)	44.58	0.00	0.0%	44.58	NA	NA
NBTel	0.0	59.85	0.00	0.0%	59.85	NA	NA
Bell	(0.0)	51.91	0.00	0.0%	51.91	NA	NA
Manitoba Tel	0.0	34.34	0.00	0.0%	34.34	NA	
SaskTel	0.0	39.61	0.00	0.0%	39.61	NA	
AGT	(0.0)	51.28	0.00	0.0%	51.28	NA	NA
B.C. Tel	(0.0)	58.65	0.00	0.0%	58.65	NA	NA
Total or Mean	(0.0)	51.11	0.00	0.0%	51.11	NA	
Unweighted Average		49.53	0.00	0.0%	49.53	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	0.0	17.90	0.00	0.0%	17.90	NA		NA
Island Tel	0.0	15.38	0.00	0.0%	15.38	NA	NA	NA
MT&T	(0.0)	17.22	0.00	0.0%	17.22	NA	NA	NA
NBTel	0.0	16.94	0.00	0.0%	16.94	NA	NA	NA
Bell	(0.0)	15.36	0.00	0.0%	15.36	NA	NA	NA
Manitoba Tel	0.0	11.72	0.00	0.0%	11.72	NA		NA
SaskTel	0.0	14.08	0.00	0.0%	14.08	NA		NA
AGT	(0.0)	18.46	0.00	0.0%	18.46	NA	NA	NA
B.C. Tel	(0.0)	17.03	0.00	0.0%	17.03	NA	NA	NA
Total or Mean	(0.0)	15.72	0.00	0.0%	15.72	NA		NA
Unweighted Average		16.01	0.00	0.0%	16.01	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	0.0	17.90	0.00	0.0%	17.90	NA	
Island Tel	0.0	15.38	0.00	0.0%	15.38	NA	NA
MT&T	(0.0)	17.22	0.00	0.0%	17.22	NA	NA
NBTel	0.0	16.94	0.00	0.0%	16.94	NA	NA
Bell	(0.0)	15.36	0.00	0.0%	15.36	NA	NA
Manitoba Tel	0.0	11.72	0.00	0.0%	11.72	NA	
SaskTel	0.0	14.08	0.00	0.0%	14.08	NA	
AGT	(0.0)	18.46	0.00	0.0%	18.46	NA	NA
B.C. Tel	(0.0)	17.03	0.00	0.0%	17.03	NA	NA
Total or Mean	(0.0)	15.72	0.00	0.0%	15.72	NA	
Unweighted Average		16.01	0.00	0.0%	16.01	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS: Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(0.0)	33.13	0.00	0.0%	33.13	NA	NA	0.00%
Quebec-Tel	(0.0)	32.51	0.00	0.0%	32.51	NA		0.00%
Telebec	(0.0)	42.42	0.00	0.0%	42.42	NA		0.00%
Northern Tel	(0.0)	30.45	0.00	0.0%	30.45	NA		0.00%
Thunder Bay	(0.0)	12.11	0.00	0.0%	12.11	NA		0.00%
'edmonton tel'	0.0	20.51	0.00	0.0%	20.51	NA		0.00%
Prince Rupert	(0.0)	20.65	0.00	0.0%	20.65	NA		0.00%
NorthwesTel	0.0	29.58	0.00	0.0%	29.58	NA		0.00%
Total or Mean	0.0	24.19	0.00	0.0%	24.19	NA		0.00%
Unweighted Average		27.67	0.00	0.0%	27.67	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(0.0)	33.13	0.00	0.0%	33.13	NA	NA
Quebec-Tel	(0.0)	32.51	0.00	0.0%	32.51	NA	
Telebec	(0.0)	42.42	0.00	0.0%	42.42	NA	
Northern Tel	(0.0)	30.45	0.00	0.0%	30.45	NA	
Thunder Bay	(0.0)	12.11	0.00	0.0%	12.11	NA	
'edmonton tel'	0.0	20.51	0.00	0.0%	20.51	NA	
Prince Rupert	(0.0)	20.65	0.00	0.0%	20.65	NA	
NorthwesTel	0.0	29.58	0.00	0.0%	29.58	NA	
Total or Mean	0.0	24.19	0.00	0.0%	24.19	NA	
Unweighted Average		27.67	0.00	0.0%	27.67	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS: Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(0.0)	13.28	0.00	0.0%	13.28	NA	NA	NA
Quebec-Tel	(0.0)	12.21	0.00	0.0%	12.21	NA		NA
Telebec	(0.0)	14.74	0.00	0.0%	14.74	NA		NA
Northern Tel	(0.0)	11.50	0.00	0.0%	11.50	NA		NA
Thunder Bay	(0.0)	5.13	0.00	0.0%	5.13	NA		NA
'edmonton tel'	0.0	6.96	0.00	0.0%	6.96	NA		NA
Prince Rupert	(0.0)	8.93	0.00	0.0%	8.93	NA		NA
NorthwesTel	0.0	14.79	0.00	0.0%	14.79	NA		NA
Total or Mean	0.0	10.62	0.00	0.0%	10.62	NA		NA
Unweighted Average		10.94	0.00	0.0%	10.94	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(0.0)	13.28	0.00	0.0%	13.28	NA	NA
Quebec-Tel	(0.0)	12.21	0.00	0.0%	12.21	NA	
Telebec	(0.0)	14.74	0.00	0.0%	14.74	NA	
Northern Tel	(0.0)	11.50	0.00	0.0%	11.50	NA	
Thunder Bay	(0.0)	5.13	0.00	0.0%	5.13	NA	
'edmonton tel'	0.0	6.96	0.00	0.0%	6.96	NA	
Prince Rupert	(0.0)	8.93	0.00	0.0%	8.93	NA	
NorthwesTel	0.0	14.79	0.00	0.0%	14.79	NA	
Total or Mean	0.0	10.62	0.00	0.0%	10.62	NA	
Unweighted Average		10.94	0.00	0.0%	10.94	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 5.96 cts/min 18.6% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.6)	59.44	2.42	4.1%	61.87	NA		1.21%
Island Tel	(0.8)	46.10	1.45	3.1%	47.54	NA	NA	1.09%
MT&T	(8.6)	44.58	2.01	4.5%	46.59	NA	NA	1.31%
NBTel	(7.1)	59.85	2.86	4.8%	62.70	NA	NA	1.43%
Bell	(127.8)	51.91	2.12	4.1%	54.03	NA	NA	1.15%
Manitoba Tel	(2.1)	34.34	0.35	1.0%	34.69	NA		0.24%
SaskTel	(11.7)	39.61	2.18	5.5%	41.79	NA		1.24%
AGT	(30.8)	51.28	2.96	5.8%	54.24	NA	NA	1.48%
B.C. Tel	(33.0)	58.65	2.67	4.6%	61.33	NA	NA	1.35%
Total or Mean	(225.5)	51.11	2.19	4.3%	53.30	NA		1.19%
Unweighted Average		49.53	2.11	4.3%	51.64	NA		1.17%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(3.6)	59.44	1.23	2.1%	60.68	NA	
Island Tel	(0.8)	46.10	0.70	1.5%	46.80	NA	NA
MT&T	(8.6)	44.58	1.06	2.4%	45.64	NA	NA
NBTel	(7.1)	59.85	1.20	2.0%	61.05	NA	NA
Bell	(127.8)	51.91	0.97	1.9%	52.88	NA	NA
Manitoba Tel	(2.1)	34.34	0.19	0.5%	34.52	NA	
SaskTel	(11.7)	39.61	1.18	3.0%	40.78	NA	
AGT	(30.8)	51.28	1.63	3.2%	52.91	NA	NA
B.C. Tel	(33.0)	58.65	1.24	2.1%	59.89	NA	NA
Total or Mean	(225.5)	51.11	1.05	2.1%	52.16	NA	
Unweighted Average		49.53	1.04	2.1%	50.57	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED	
Geographic Areas of Competition:	All Canada	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	5.96 cts/min	18.6% of Telco rate.
Market Lost to Competition:	-10.0%	
		Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.6)	17.90	0.73	4.1%	18.63	NA		10.69
Island Tel	(0.8)	15.38	0.48	3.1%	15.86	NA	NA	8.99
MT&T	(8.6)	17.22	0.77	4.5%	18.00	NA	NA	10.43
NBTel	(7.1)	16.94	0.81	4.8%	17.75	NA	NA	9.54
Bell	(127.8)	15.36	0.63	4.1%	15.98	NA	NA	9.38
Manitoba Tel	(2.1)	11.72	0.12	1.0%	11.84	NA		6.60
SaskTel	(11.7)	14.08	0.78	5.5%	14.86	NA		9.66
AGT	(30.8)	18.46	1.06	5.8%	19.53	NA	NA	11.66
B.C. Tel	(33.0)	17.03	0.78	4.6%	17.81	NA	NA	10.19
Total or Mean	(225.5)	15.72	0.67	4.3%	16.39	NA		9.38
Unweighted Average		16.01	0.68	4.3%	16.69	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(3.6)	17.90	1.23	6.9%	19.13	NA	
Island Tel	(0.8)	15.38	0.70	4.5%	16.08	NA	NA
MT&T	(8.6)	17.22	1.06	6.1%	18.28	NA	NA
NBTel	(7.1)	16.94	1.20	7.1%	18.14	NA	NA
Bell	(127.8)	15.36	0.97	6.3%	16.33	NA	NA
Manitoba Tel	(2.1)	11.72	0.19	1.6%	11.90	NA	
SaskTel	(11.7)	14.08	1.18	8.3%	15.26	NA	
AGT	(30.8)	18.46	1.63	8.8%	20.09	NA	NA
8.C. Tel	(33.0)	17.03	1.24	7.3%	18.27	NA	NA
Total or Mean	(225.5)	15.72	1.04	6.6%	16.76	NA	
Unweighted Average		16.01	1.04	6.5%	17.05	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 5.96 cts/min 18.6% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	--------- BUSINESS --------- MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(1.1)	33.13	1.54	4.6%	34.66	NA	NA	1.28%
Quebec-Tel	(6.3)	32.51	3.08	9.5%	35.58	NA		2.01%
Telebec	(2.1)	42.42	1.22	2.9%	43.64	NA		1.01%
Northern Tel	(0.8)	30.45	1.16	3.8%	31.61	NA		1.64%
Thunder Bay	0.2	12.11	-0.15	-1.2%	11.96	NA		-0.49%
'edmonton tel'	3.7	20.51	-0.64	-3.1%	19.87	NA		-1.03%
Prince Rupert	0.1	20.65	-0.43	-2.1%	20.21	NA		-1.37%
NorthwesTel	(1.8)	29.58	1.79	6.1%	31.37	NA		1.40%
Total or Mean	(8.2)	24.19	0.28	1.1%	24.47	NA		0.83%
Unweighted Average		27.67	0.95	3.4%	28.61	NA		0.56%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Terra Nova Tel	(1.1)	33.13	0.73	2.2%	33.86	NA	NA
Quebec-Tel	(6.3)	32.51	1.53	4.7%	34.03	NA	
Telebec	(2.1)	42.42	0.55	1.3%	42.98	NA	
Northern Tel	(0.8)	30.45	0.63	2.1%	31.09	NA	
Thunder Bay	0.2	12.11	-0.10	-0.8%	12.01	NA	
'edmonton tel'	3.7	20.51	-0.42	-2.0%	20.09	NA	
Prince Rupert	0.1	20.65	-0.24	-1.2%	20.41	NA	
NorthwesTel	(1.8)	29.58	1.36	4.6%	30.94	NA	
Total or Mean	(8.2)	24.19	0.10	0.4%	24.29	NA	
Unweighted Average		27.67	0.51	1.8%	28.18	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 5.96 cts/min 13.6% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL)	RESIDENCE BASE RATE	RESIDENCE MONTHLY RATE CHANGE		RESIDENCE NEW RATE	BREAKEVEN MONTHLY TOLL BILL	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT
	($M)	($)	($)	(%)	($)	($)		(c/min)
Terra Nova Tel	(1.1)	13.28	0.62	4.6%	13.90	NA	NA	11.64
Quebec-Tel	(6.3)	12.21	1.16	9.5%	13.37	NA		13.82
Telebec	(2.1)	14.74	0.42	2.9%	15.16	NA		8.84
Northern Tel	(0.8)	11.50	0.44	3.8%	11.94	NA		10.25
Thunder Bay	0.2	5.13	-0.06	-1.2%	5.07	NA		4.81
'edmonton tel'	3.7	6.96	-0.22	-3.1%	6.74	NA		3.70
Prince Rupert	0.1	8.93	-0.19	-2.1%	8.74	NA		3.88
NorthwesTel	(1.8)	14.79	0.90	6.1%	15.68	NA		12.32
Total or Mean	(8.2)	10.62	0.41	3.9%	11.03	NA		7.97
Unweighted Average		10.94	0.38	3.5%	11.33	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(1.1)	13.28	0.73	5.5%	14.02	NA	NA
Quebec-Tel	(6.3)	12.21	1.53	12.5%	13.74	NA	
Telebec	(2.1)	14.74	0.55	3.8%	15.29	NA	
Northern Tel	(0.8)	11.50	0.63	5.5%	12.14	NA	
Thunder Bay	0.2	5.13	-0.10	-1.9%	5.04	NA	
'edmonton tel'	3.7	6.96	-0.42	-6.0%	6.54	NA	
Prince Rupert	0.1	8.93	-0.24	-2.7%	8.69	NA	
NorthwesTel	(1.8)	14.79	1.36	9.2%	16.15	NA	
Total or Mean	(8.2)	10.62	0.50	4.7%	11.12	NA	
Unweighted Average		10.94	0.51	4.6%	11.45	NA	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	MIXED	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	6.59 cts/min	20.5% of Telco rate.
	Market Lost to Competition:	-20.0%	
			Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(6.0)	59.44	4.02	6.8%	63.46	NA		2.07%
Island Tel	(1.2)	46.10	2.28	5.0%	48.38	NA	NA	1.76%
MT&T	(14.4)	44.58	3.37	7.6%	47.95	NA	NA	2.26%
NBTel	(12.0)	59.85	4.86	8.1%	64.70	NA	NA	2.49%
Bell	(202.7)	51.91	3.36	6.5%	55.27	NA	NA	1.86%
Manitoba Tel	(0.7)	34.34	0.12	0.4%	34.46	NA		0.09%
SaskTel	(19.6)	39.61	3.66	9.2%	43.26	NA		2.13%
AGT	(53.1)	51.28	5.10	9.9%	56.37	NA	NA	2.62%
B.C. Tel	(53.9)	58.65	4.36	7.4%	63.02	NA	NA	2.26%
Total or Mean	(363.7)	51.11	3.53	6.9%	54.64	NA		1.96%
Unweighted Average		49.53	3.46	7.0%	52.99	NA		1.95%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(6.0)	59.44	2.05	3.4%	61.49	NA	
Island Tel	(1.2)	46.10	1.10	2.4%	47.20	NA	NA
MT&T	(14.4)	44.58	1.78	4.0%	46.36	NA	NA
NBTel	(12.0)	59.85	2.04	3.4%	61.89	NA	NA
Bell	(202.7)	51.91	1.54	3.0%	53.45	NA	NA
Manitoba Tel	(0.7)	34.34	0.07	0.2%	34.40	NA	
SaskTel	(19.6)	39.61	1.97	5.0%	41.57	NA	
AGT	(53.1)	51.28	2.81	5.5%	54.09	NA	NA
B.C. Tel	(53.9)	58.65	2.02	3.4%	60.67	NA	NA
Total or Mean	(363.7)	51.11	1.69	3.3%	52.80	NA	
Unweighted Average		49.53	1.71	3.5%	51.24	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 6.59 cts/min 20.5% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(6.0)	17.90	1.21	6.8%	19.11	NA		10.51
Island Tel	(1.2)	15.38	0.76	5.0%	16.14	NA	NA	8.98
MT&T	(14.4)	17.22	1.30	7.6%	18.52	NA	NA	10.35
NBTel	(12.0)	16.94	1.37	8.1%	18.31	NA	NA	9.63
Bell	(202.7)	15.36	0.99	6.5%	16.35	NA	NA	9.30
Manitoba Tel	(0.7)	11.72	0.04	0.4%	11.76	NA		6.70
SaskTel	(19.6)	14.08	1.30	9.2%	15.38	NA		9.69
AGT	(53.1)	18.46	1.83	9.9%	20.30	NA	NA	11.50
B.C. Tel	(53.9)	17.03	1.27	7.4%	18.30	NA	NA	10.04
Total or Mean	(363.7)	15.72	1.08	6.9%	16.80	NA		9.35
Unweighted Average		16.01	1.12	7.0%	17.13	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(6.0)	17.90	2.05	11.4%	19.95	NA	
Island Tel	(1.2)	15.38	1.10	7.2%	16.48	NA	NA
MT&T	(14.4)	17.22	1.78	10.3%	19.00	NA	NA
NBTel	(12.0)	16.94	2.04	12.1%	18.98	NA	NA
Bell	(202.7)	15.36	1.54	10.1%	16.90	NA	NA
Manitoba Tel	(0.7)	11.72	0.07	0.6%	11.78	NA	
SaskTel	(19.6)	14.08	1.97	14.0%	16.05	NA	
AGT	(53.1)	18.46	2.81	15.2%	21.27	NA	NA
B.C. Tel	(53.9)	17.03	2.02	11.9%	19.05	NA	NA
Total or Mean	(363.7)	15.72	1.67	10.7%	17.39	NA	
Unweighted Average		16.01	1.71	10.7%	17.72	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:			
	Competitive MTS/WATS Providers:	MIXED	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	6.59 cts/min	20.5% of Telco rate.
	Market Lost to Competition:	-20.0%	
			Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(1.8)	33.13	2.48	7.5%	35.61	NA	NA	2.13%
Quebec-Tel	(11.7)	32.51	5.67	17.4%	38.18	NA		3.78%
Telebec	(3.4)	42.42	1.94	4.6%	44.37	NA		1.64%
Northern Tel	(1.4)	30.45	1.99	6.5%	32.45	NA		2.82%
Thunder Bay	0.7	12.11	-0.46	-3.8%	11.64	NA		-1.55%
'edmonton tel'	9.9	20.51	-1.70	-8.3%	18.82	NA		-2.75%
Prince Rupert	0.2	20.65	-1.13	-5.5%	19.52	NA		-3.58%
NorthwesTel	(3.1)	29.58	3.00	10.1%	32.58	NA		2.41%
Total or Mean	(10.6)	24.19	0.13	0.5%	24.32	NA		1.08%
Unweighted Average		27.67	1.48	5.3%	29.14	NA		0.61%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(1.8)	33.13	1.18	3.6%	34.31	NA	NA
Quebec-Tel	(11.7)	32.51	2.81	8.6%	35.32	NA	
Telebec	(3.4)	42.42	0.88	2.1%	43.31	NA	
Northern Tel	(1.4)	30.45	1.09	3.6%	31.54	NA	
Thunder Bay	0.7	12.11	-0.31	-2.6%	11.80	NA	
'edmonton tel'	9.9	20.51	-1.11	-5.4%	19.41	NA	
Prince Rupert	0.2	20.65	-0.62	-3.0%	20.03	NA	
NorthwesTel	(3.1)	29.58	2.28	7.7%	31.86	NA	
Total or Mean	(10.6)	24.19	-0.06	-0.2%	24.13	NA	
Unweighted Average		27.67	0.78	2.8%	28.45	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers:	MIXED	
Geographic Areas of Competition:	All Canada	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	6.59 cts/min	20.5% of Telco rate.
Market Lost to Competition:	-20.0%	

Competing rates
discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (¢/min)
Terra Nova Tel	(1.8)	13.28	1.00	7.5%	14.28	NA	NA	11.18
Quebec-Tel	(11.7)	12.21	2.13	17.4%	14.34	NA		13.83
Telebec	(3.4)	14.74	0.68	4.6%	15.41	NA		8.89
Northern Tel	(1.4)	11.50	0.75	6.5%	12.26	NA		10.28
Thunder Bay	0.7	5.13	-0.20	-3.8%	4.94	NA		4.76
'edmonton tel'	9.9	6.96	-0.58	-8.3%	6.38	NA		3.60
Prince Rupert	0.2	8.93	-0.49	-5.5%	8.44	NA		3.88
NorthwesTel	(3.1)	14.79	1.50	10.1%	16.29	NA		11.92
Total or Mean	(10.6)	10.62	0.66	6.2%	11.28	NA		7.89
Unweighted Average		10.94	0.60	5.5%	11.54	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(1.8)	13.28	1.18	8.9%	14.47	NA	NA
Quebec-Tel	(11.7)	12.21	2.81	23.0%	15.02	NA	
Telebec	(3.4)	14.74	0.88	6.0%	15.62	NA	
Northern Tel	(1.4)	11.50	1.09	9.5%	12.59	NA	
Thunder Bay	0.7	5.13	-0.31	-6.0%	4.83	NA	
'edmonton tel'	9.9	6.96	-1.11	-15.9%	5.85	NA	
Prince Rupert	0.2	8.93	-0.62	-7.0%	8.30	NA	
NorthwesTel	(3.1)	14.79	2.28	15.4%	17.07	NA	
Total or Mean	(10.6)	10.62	0.75	7.1%	11.37	NA	
Unweighted Average		10.94	0.78	7.1%	11.72	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 4.55 cts/min 14.2% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(4.6)	59.44	3.07	5.2%	62.51	30.67		1.54%
Island Tel	(1.0)	46.10	1.92	4.2%	48.01	19.16	60.0%	1.44%
MT&T	(10.8)	44.58	2.52	5.6%	47.10	25.17	57.0%	1.64%
NBTel	(8.8)	59.85	3.54	5.9%	63.39	35.39	55.5%	1.77%
Bell	(167.9)	51.91	2.78	5.4%	54.69	27.85	69.7%	1.51%
Manitoba Tel	(4.9)	34.34	0.83	2.4%	35.16	8.27		0.57%
SaskTel	(14.8)	39.61	2.76	7.0%	42.37	27.62		1.57%
AGT	(37.5)	51.28	3.60	7.0%	54.88	35.99	56.2%	1.80%
B.C. Tel	(42.7)	58.65	3.45	5.9%	62.11	34.53	66.7%	1.74%
Total or Mean	(292.9)	51.11	2.85	5.6%	53.96	28.47		1.54%
Unweighted Average		49.53	2.72	5.5%	52.25	27.18		1.51%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(4.6)	59.44	1.56	2.6%	61.01	15.63	
Island Tel	(1.0)	46.10	0.93	2.0%	47.02	9.26	68.2%
MT&T	(10.8)	44.58	1.33	3.0%	45.91	13.28	64.8%
NBTel	(8.8)	59.85	1.49	2.5%	61.33	14.88	72.8%
Bell	(167.9)	51.91	1.28	2.5%	53.19	12.79	80.4%
Manitoba Tel	(4.9)	34.34	0.43	1.3%	34.77	4.34	
SaskTel	(14.8)	39.61	1.49	3.8%	41.09	14.87	
AGT	(37.5)	51.28	1.99	3.9%	53.26	19.86	68.9%
B.C. Tel	(42.7)	58.65	1.60	2.7%	60.25	15.99	78.5%
Total or Mean	(292.9)	51.11	1.36	2.7%	52.47	13.63	
Unweighted Average		49.53	1.34	2.7%	50.87	13.43	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 4.55 cts/min 14.2% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(4.6)	17.90	0.92	5.2%	18.82	9.23		10.14
Island Tel	(1.0)	15.38	0.64	4.2%	16.02	6.39	73.2%	8.30
MT&T	(10.8)	17.22	0.97	5.6%	18.19	9.72	70.2%	9.79
NBTel	(8.8)	16.94	1.00	5.9%	17.94	10.02	65.1%	8.69
Bell	(167.9)	15.36	0.82	5.4%	16.18	8.24	67.5%	8.75
Manitoba Tel	(4.9)	11.72	0.28	2.4%	12.00	2.82		5.95
SaskTel	(14.8)	14.08	0.98	7.0%	15.06	9.82		8.92
AGT	(37.5)	18.46	1.30	7.0%	19.76	12.96	68.0%	11.03
B.C. Tel	(42.7)	17.03	1.00	5.9%	18.03	10.03	73.1%	9.65
Total or Mean	(292.9)	15.72	0.87	5.6%	16.59	8.74		8.70
Unweighted Average		16.01	0.88	5.5%	16.89	8.80		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(4.6)	17.90	1.56	8.7%	19.46	15.63	
Island Tel	(1.0)	15.38	0.93	6.0%	16.31	9.26	68.3%
MT&T	(10.8)	17.22	1.33	7.7%	18.55	13.28	63.5%
NBTel	(8.8)	16.94	1.49	8.8%	18.42	14.88	53.5%
Bell	(167.9)	15.36	1.28	8.3%	16.64	12.79	56.3%
Manitoba Tel	(4.9)	11.72	0.43	3.7%	12.15	4.34	
SaskTel	(14.8)	14.08	1.49	10.6%	15.57	14.87	
AGT	(37.5)	18.46	1.99	10.8%	20.45	19.86	59.7%
B.C. Tel	(42.7)	17.03	1.60	9.4%	18.63	15.99	64.5%
Total or Mean	(292.9)	15.72	1.35	8.6%	17.07	13.52	
Unweighted Average		16.01	1.34	8.4%	17.35	13.43	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 4.55 cts/min 14.2% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	--------- BUSINESS --------- MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(1.5)	33.13	2.02	6.1%	35.15	20.18	63.3%	1.68%
Quebec-Tel	(7.2)	32.51	3.47	10.7%	35.98	34.72		2.27%
Telebec	(2.8)	42.42	1.62	3.8%	44.04	16.19		1.34%
Northern Tel	(1.0)	30.45	1.45	4.8%	31.90	14.51		2.05%
Thunder Bay	(0.0)	12.11	0.01	0.0%	12.11	0.05		0.02%
'edmonton tel'	1.5	20.51	-0.26	-1.3%	20.25	-2.60		-0.42%
Prince Rupert	0.0	20.65	-0.20	-1.0%	20.45	-2.00		-0.63%
NorthwesTel	(2.3)	29.58	2.24	7.6%	31.82	22.39		1.75%
Total or Mean	(13.2)	24.19	0.64	2.7%	24.83	6.43		1.33%
Unweighted Average		27.67	1.29	4.7%	28.96	12.93		1.01%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(1.5)	33.13	0.96	2.9%	34.09	9.61	69.1%
Quebec-Tel	(7.2)	32.51	1.72	5.3%	34.23	17.21	
Telebec	(2.8)	42.42	0.74	1.7%	43.16	7.35	
Northern Tel	(1.0)	30.45	0.79	2.6%	31.24	7.93	
Thunder Bay	(0.0)	12.11	0.00	0.0%	12.11	0.03	
'edmonton tel'	1.5	20.51	-0.17	-0.8%	20.34	-1.70	
Prince Rupert	0.0	20.65	-0.11	-0.5%	20.54	-1.10	
NorthwesTel	(2.3)	29.58	1.70	5.8%	31.28	17.04	
Total or Mean	(13.2)	24.19	0.32	1.3%	24.52	3.25	
Unweighted Average		27.67	0.70	2.5%	28.37	7.05	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers:	MIXED	
Geographic Areas of Competition:	All Canada	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	4.55 cts/min	14.2% of Telco rate.
Market Lost to Competition:	-10.0%	

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL)	RESIDENCE BASE RATE	RESIDENCE MONTHLY RATE CHANGE		NEW RATE	BREAKEVEN MONTHLY TOLL BILL	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT
	($M)	($)	($)	(%)	($)	($)		(c/min)
Terra Nova Tel	(1.5)	13.28	0.81	6.1%	14.09	8.09	84.7%	11.51
Quebec-Tel	(7.2)	12.21	1.30	10.7%	13.52	13.04		12.83
Telebec	(2.8)	14.74	0.56	3.8%	15.30	5.63		8.12
Northern Tel	(1.0)	11.50	0.55	4.8%	12.05	5.48		9.56
Thunder Bay	(0.0)	5.13	0.00	0.0%	5.14	0.02		4.59
'edmonton tel'	1.5	6.96	-0.09	-1.3%	6.87	-0.88		3.69
Prince Rupert	0.0	8.93	-0.09	-1.0%	8.84	-0.86		3.65
NorthwesTel	(2.3)	14.79	1.12	7.6%	15.91	11.19		11.98
Total or Mean	(13.2)	10.62	0.55	5.2%	11.17	5.49		7.57
Unweighted Average		10.94	0.52	4.8%	11.46	5.21		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(1.5)	13.28	0.96	7.2%	14.25	9.61	82.9%
Quebec-Tel	(7.2)	12.21	1.72	14.1%	13.93	17.21	
Telebec	(2.8)	14.74	0.74	5.0%	15.47	7.35	
Northern Tel	(1.0)	11.50	0.79	6.9%	12.30	7.93	
Thunder Bay	(0.0)	5.13	0.00	0.1%	5.14	0.03	
'edmonton tel'	1.5	6.96	-0.17	-2.4%	6.79	-1.70	
Prince Rupert	0.0	8.93	-0.11	-1.2%	8.82	-1.10	
NorthwesTel	(2.3)	14.79	1.70	11.5%	16.49	17.04	
Total or Mean	(13.2)	10.62	0.71	6.7%	11.32	7.08	
Unweighted Average		10.94	0.70	6.4%	11.65	7.05	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 4.96 cts/min 15.5% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(8.2)	59.44	5.53	9.3%	64.97	55.28		2.85%
Island Tel	(1.8)	46.10	3.39	7.3%	49.48	33.86	51.4%	2.61%
MT&T	(19.5)	44.58	4.57	10.2%	49.15	45.69	47.6%	3.06%
NBTel	(16.0)	59.85	6.45	10.8%	66.30	64.54	41.4%	3.31%
Bell	(297.2)	51.91	4.93	9.5%	56.84	49.29	58.6%	2.73%
Manitoba Tel	(7.3)	34.34	1.24	3.6%	35.57	12.35		0.88%
SaskTel	(26.9)	39.61	5.02	12.7%	44.62	50.16		2.92%
AGT	(68.7)	51.28	6.60	12.9%	57.88	66.00	41.2%	3.39%
B.C. Tel	(76.5)	58.65	6.19	10.6%	64.84	61.89	54.6%	3.21%
Total or Mean	(522.3)	51.11	5.08	9.9%	56.18	50.75		2.82%
Unweighted Average		49.53	4.88	9.8%	54.41	48.78		2.77%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(8.2)	59.44	2.82	4.7%	62.26	28.18	
Island Tel	(1.8)	46.10	1.64	3.5%	47.73	16.36	62.1%
MT&T	(19.5)	44.58	2.41	5.4%	46.99	24.11	57.6%
NBTel	(16.0)	59.85	2.71	4.5%	62.56	27.13	61.4%
Bell	(297.2)	51.91	2.26	4.4%	54.17	22.64	73.1%
Manitoba Tel	(7.3)	34.34	0.65	1.9%	34.99	6.49	
SaskTel	(26.9)	39.61	2.70	6.8%	42.31	27.00	
AGT	(68.7)	51.28	3.64	7.1%	54.92	36.42	55.9%
B.C. Tel	(76.5)	58.65	2.87	4.9%	61.52	28.65	70.0%
Total or Mean	(522.3)	51.11	2.43	4.8%	53.54	24.30	
Unweighted Average		49.53	2.41	4.9%	51.94	24.11	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED		
Geographic Areas of Competition:	All Canada		
Rate Structure:	REBALANCED RATES		
Contribution Charge:	4.96 cts/min	15.5% of Telco rate.	
Market Lost to Competition:	-20.0%		
		Competing rates discounted by	10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(8.2)	17.90	1.66	9.3%	19.56	16.64		10.00
Island Tel	(1.8)	15.38	1.13	7.3%	16.51	11.30	65.0%	8.27
MT&T	(19.5)	17.22	1.76	10.2%	18.99	17.65	55.8%	9.72
NBTel	(16.0)	16.94	1.83	10.8%	18.76	18.27	46.8%	8.73
Bell	(297.2)	15.36	1.46	9.5%	16.82	14.58	52.1%	8.68
Manitoba Tel	(7.3)	11.72	0.42	3.6%	12.14	4.21		6.00
SaskTel	(26.9)	14.08	1.78	12.7%	15.87	17.83		8.93
AGT	(68.7)	18.46	2.38	12.9%	20.84	23.76	55.7%	10.90
B.C. Tel	(76.5)	17.03	1.80	10.6%	18.83	17.97	61.7%	9.53
Total or Mean	(522.3)	15.72	1.56	9.9%	17.28	15.57		8.66
Unweighted Average		16.01	1.58	9.9%	17.59	15.80		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(8.2)	17.90	2.82	15.7%	20.72	28.18	
Island Tel	(1.8)	15.38	1.64	10.6%	17.02	16.36	57.8%
MT&T	(19.5)	17.22	2.41	14.0%	19.63	24.11	45.9%
NBTel	(16.0)	16.94	2.71	16.0%	19.65	27.13	33.9%
Bell	(297.2)	15.36	2.26	14.7%	17.62	22.64	37.0%
Manitoba Tel	(7.3)	11.72	0.65	5.5%	12.36	6.49	
SaskTel	(26.9)	14.08	2.70	19.2%	16.78	27.00	
AGT	(68.7)	18.46	3.64	19.7%	22.10	36.42	45.1%
B.C. Tel	(76.5)	17.03	2.87	16.8%	19.90	28.65	48.6%
Total or Mean	(522.3)	15.72	2.41	15.3%	18.13	24.08	
Unweighted Average		16.01	2.41	15.1%	18.42	24.11	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 4.96 cts/min 15.5% of Telco rate.
Market Lost to Competition: -20.0%
Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(2.7)	33.13	3.61	10.9%	36.74	36.12	53.8%	3.10%
Quebec-Tel	(13.6)	32.51	6.59	20.3%	39.10	65.91		4.40%
Telebec	(5.0)	42.42	2.88	6.8%	45.30	28.82		2.43%
Northern Tel	(1.8)	30.45	2.68	8.8%	33.13	26.76		3.78%
Thunder Bay	0.2	12.11	-0.11	-0.9%	12.00	-1.08		-0.36%
'edmonton tel'	4.7	20.51	-0.80	-3.9%	19.71	-8.05		-1.30%
Prince Rupert	0.1	20.65	-0.58	-2.8%	20.06	-5.83		-1.85%
NorthwesTel	(4.2)	29.58	4.05	13.7%	33.63	40.52		3.26%
Total or Mean	(22.3)	24.19	0.99	4.1%	25.18	9.94		2.28%
Unweighted Average		27.67	2.29	8.3%	29.36	22.90		1.68%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(2.7)	33.13	1.72	5.2%	34.85	17.21	63.7%
Quebec-Tel	(13.6)	32.51	3.27	10.1%	35.77	32.67	
Telebec	(5.0)	42.42	1.31	3.1%	43.73	13.08	
Northern Tel	(1.8)	30.45	1.46	4.8%	31.91	14.63	
Thunder Bay	0.2	12.11	-0.07	-0.6%	12.03	-0.72	
'edmonton tel'	4.7	20.51	-0.53	-2.6%	19.99	-5.25	
Prince Rupert	0.1	20.65	-0.32	-1.6%	20.33	-3.21	
NorthwesTel	(4.2)	29.58	3.08	10.4%	32.66	30.85	
Total or Mean	(22.3)	24.19	0.47	1.9%	24.66	4.70	
Unweighted Average		27.67	1.24	4.5%	28.91	12.41	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 4.96 cts/min 15.5% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(2.7)	13.28	1.45	10.9%	14.73	14.49	74.0%	11.19
Quebec-Tel	(13.6)	12.21	2.48	20.3%	14.69	24.76		12.82
Telebec	(5.0)	14.74	1.00	6.8%	15.74	10.01		8.14
Northern Tel	(1.8)	11.50	1.01	8.8%	12.51	10.11		9.58
Thunder Bay	0.2	5.13	-0.05	-0.9%	5.09	-0.46		4.56
'edmonton tel'	4.7	6.96	-0.27	-3.9%	6.68	-2.73		3.63
Prince Rupert	0.1	8.93	-0.25	-2.8%	8.67	-2.52		3.65
NorthwesTel	(4.2)	14.79	2.03	13.7%	16.81	20.26		11.69
Total or Mean	(22.3)	10.62	0.98	9.3%	11.60	9.82		7.51
Unweighted Average		10.94	0.92	8.4%	11.87	9.24		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(2.7)	13.28	1.72	13.0%	15.01	17.21	69.7%
Quebec-Tel	(13.6)	12.21	3.27	26.8%	15.48	32.67	
Telebec	(5.0)	14.74	1.31	8.9%	16.05	13.08	
Northern Tel	(1.8)	11.50	1.46	12.7%	12.97	14.63	
Thunder Bay	0.2	5.13	-0.07	-1.4%	5.06	-0.72	
'edmonton tel'	4.7	6.96	-0.53	-7.6%	6.43	-5.25	
Prince Rupert	0.1	8.93	-0.32	-3.6%	8.61	-3.21	
NorthwesTel	(4.2)	14.79	3.08	20.9%	17.87	30.85	
Total or Mean	(22.3)	10.62	1.24	11.7%	11.86	12.44	
Unweighted Average		10.94	1.24	11.3%	12.18	12.41	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED		
Geographic Areas of Competition:	All Canada		
Rate Structure:	REBALANCED RATES		
Contribution Charge:	2.46 cts/min	7.7% of Telco rate.	
Market Lost to Competition:	-10.0%		
		Competing rates discounted by	25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(6.3)	59.44	4.20	7.1%	63.64	16.79		2.10%
Island Tel	(1.5)	46.10	2.74	5.9%	48.84	10.96	66.6%	2.06%
MT&T	(14.6)	44.58	3.41	7.7%	48.00	13.66	64.5%	2.23%
NBTel	(11.7)	59.85	4.73	7.9%	64.58	18.94	68.6%	2.37%
Bell	(238.3)	51.91	3.95	7.6%	55.86	15.80	78.0%	2.14%
Manitoba Tel	(9.8)	34.34	1.66	4.8%	36.00	6.63		1.14%
SaskTel	(20.3)	39.61	3.78	9.5%	43.38	15.11		2.14%
AGT	(49.2)	51.28	4.72	9.2%	56.00	18.90	69.8%	2.36%
B.C. Tel	(59.6)	58.65	4.82	8.2%	63.47	19.28	76.1%	2.43%
Total or Mean	(411.2)	51.11	4.00	7.8%	55.11	15.99		2.17%
Unweighted Average		49.53	3.78	7.6%	53.31	15.12		2.11%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(6.3)	59.44	2.14	3.6%	61.58	8.56	
Island Tel	(1.5)	46.10	1.32	2.9%	47.42	5.30	72.4%
MT&T	(14.6)	44.58	1.80	4.0%	46.38	7.21	70.1%
NBTel	(11.7)	59.85	1.99	3.3%	61.84	7.96	81.4%
Bell	(238.3)	51.91	1.82	3.5%	53.72	7.26	85.2%
Manitoba Tel	(9.8)	34.34	0.87	2.5%	35.21	3.48	
SaskTel	(20.3)	39.61	2.03	5.1%	41.64	8.13	
AGT	(49.2)	51.28	2.61	5.1%	53.88	10.43	78.6%
B.C. Tel	(59.6)	58.65	2.23	3.8%	60.89	8.92	84.1%
Total or Mean	(411.2)	51.11	1.91	3.7%	53.02	7.65	
Unweighted Average		49.53	1.87	3.8%	51.40	7.47	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	MIXED	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	2.46 cts/min	7.7% of Telco rate.
	Market Lost to Competition:	-10.0%	
			Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(6.3)	17.90	1.26	7.1%	19.16	5.06		9.26
Island Tel	(1.5)	15.38	0.91	5.9%	16.30	3.66	78.0%	7.23
MT&T	(14.6)	17.22	1.32	7.7%	18.54	5.28	78.0%	8.78
NBTel	(11.7)	16.94	1.34	7.9%	18.28	5.36	77.7%	7.38
Bell	(238.3)	15.36	1.17	7.6%	16.53	4.68	76.0%	7.75
Manitoba Tel	(9.8)	11.72	0.57	4.8%	12.28	2.26		4.95
SaskTel	(20.3)	14.08	1.34	9.5%	15.42	5.37		7.77
AGT	(49.2)	18.46	1.70	9.2%	20.16	6.80	76.4%	10.02
B.C. Tel	(59.6)	17.03	1.40	8.2%	18.43	5.60	79.2%	8.79
Total or Mean	(411.2)	15.72	1.23	7.8%	16.95	4.91		7.63
Unweighted Average		16.01	1.22	7.6%	17.23	4.90		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(6.3)	17.90	2.14	12.0%	20.04	8.56	
Island Tel	(1.5)	15.38	1.32	8.6%	16.71	5.30	75.1%
MT&T	(14.6)	17.22	1.80	10.5%	19.02	7.21	74.8%
NBTel	(11.7)	16.94	1.99	11.8%	18.93	7.96	70.6%
Bell	(238.3)	15.36	1.82	11.8%	17.17	7.26	69.9%
Manitoba Tel	(9.8)	11.72	0.87	7.4%	12.59	3.48	
SaskTel	(20.3)	14.08	2.03	14.4%	16.12	8.13	
AGT	(49.2)	18.46	2.61	14.1%	21.07	10.43	71.3%
B.C. Tel	(59.6)	17.03	2.23	13.1%	19.26	8.92	74.7%
Total or Mean	(411.2)	15.72	1.90	12.1%	17.62	7.59	
Unweighted Average		16.01	1.87	11.7%	17.88	7.47	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 2.46 cts/min 7.7% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates
discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	--------- BUSINESS --------- MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(2.1)	33.13	2.86	8.6%	35.99	11.45	68.1%	2.39%
Quebec-Tel	(8.6)	32.51	4.16	12.8%	36.67	16.64		2.72%
Telebec	(4.0)	42.42	2.32	5.5%	44.74	9.28		1.92%
Northern Tel	(1.3)	30.45	1.96	6.4%	32.41	7.84		2.77%
Thunder Bay	(0.4)	12.11	0.27	2.2%	12.38	1.08		0.91%
'edmonton tel'	(2.4)	20.51	0.41	2.0%	20.92	1.63		0.66%
Prince Rupert	(0.0)	20.65	0.21	1.0%	20.86	0.84		0.66%
NorthwesTel	(3.1)	29.58	3.03	10.2%	32.60	12.10		2.36%
Total or Mean	(22.0)	24.19	1.29	5.3%	25.48	5.15		2.21%
Unweighted Average		27.67	1.90	6.9%	29.57	7.61		1.80%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(2.1)	33.13	1.36	4.1%	34.49	5.45	71.6%
Quebec-Tel	(8.6)	32.51	2.06	6.3%	34.57	8.25	
Telebec	(4.0)	42.42	1.05	2.5%	43.48	4.21	
Northern Tel	(1.3)	30.45	1.07	3.5%	31.52	4.29	
Thunder Bay	(0.4)	12.11	0.18	1.5%	12.29	0.72	
'edmonton tel'	(2.4)	20.51	0.27	1.3%	20.78	1.06	
Prince Rupert	(0.0)	20.65	0.12	0.6%	20.76	0.46	
NorthwesTel	(3.1)	29.58	2.30	7.8%	31.88	9.21	
Total or Mean	(22.0)	24.19	0.72	3.0%	24.91	2.88	
Unweighted Average		27.67	1.05	3.8%	28.72	4.21	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers:	MIXED	
Geographic Areas of Competition:	All Canada	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	2.46 cts/min	7.7% of Telco rate.
Market Lost to Competition:	-10.0%	

Competing rates
discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(2.1)	13.28	1.15	8.6%	14.43	4.59	88.1%	11.23
Quebec-Tel	(8.6)	12.21	1.56	12.8%	13.78	6.25		11.27
Telebec	(4.0)	14.74	0.81	5.5%	15.54	3.22		7.00
Northern Tel	(1.3)	11.50	0.74	6.4%	12.24	2.96		8.47
Thunder Bay	(0.4)	5.13	0.11	2.2%	5.25	0.46		4.23
'edmonton tel'	(2.4)	6.96	0.14	2.0%	7.09	0.55		3.65
Prince Rupert	(0.0)	8.93	0.09	1.0%	9.02	0.36		3.29
NorthwesTel	(3.1)	14.79	1.51	10.2%	16.30	6.05		11.38
Total or Mean	(22.0)	10.62	0.79	7.4%	11.41	3.16		6.92
Unweighted Average		10.94	0.76	7.0%	11.71	3.06		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(2.1)	13.28	1.36	10.3%	14.65	5.45	87.4%
Quebec-Tel	(8.6)	12.21	2.06	16.9%	14.28	8.25	
Telebec	(4.0)	14.74	1.05	7.1%	15.79	4.21	
Northern Tel	(1.3)	11.50	1.07	9.3%	12.58	4.29	
Thunder Bay	(0.4)	5.13	0.18	3.5%	5.32	0.72	
'edmonton tel'	(2.4)	6.96	0.27	3.8%	7.22	1.06	
Prince Rupert	(0.0)	8.93	0.12	1.3%	9.04	0.46	
NorthwesTel	(3.1)	14.79	2.30	15.6%	17.09	9.21	
Total or Mean	(22.0)	10.62	1.07	10.1%	11.69	4.30	
Unweighted Average		10.94	1.05	9.6%	12.00	4.21	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 2.99 cts/min 9.3% of Telco rate.
Market Lost to Competition: -20.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
			($)	(%)				
Nfld Tel	(11.2)	59.44	7.55	12.7%	66.99	30.18		3.89%
Island Tel	(2.6)	46.10	4.86	10.5%	50.96	19.44	59.8%	3.75%
MT&T	(26.4)	44.58	6.17	13.8%	50.75	24.68	57.2%	4.14%
NBTel	(21.3)	59.85	8.59	14.4%	68.43	34.35	56.2%	4.40%
Bell	(423.4)	51.91	7.02	13.5%	58.93	28.09	69.5%	3.89%
Manitoba Tel	(16.1)	34.34	2.72	7.9%	37.06	10.87		1.93%
SaskTel	(36.7)	39.61	6.83	17.2%	46.43	27.31		3.98%
AGT	(89.6)	51.28	8.61	16.8%	59.89	34.43	57.2%	4.43%
B.C. Tel	(106.6)	58.65	8.63	14.7%	67.28	34.51	66.7%	4.47%
Total or Mean	(734.0)	51.11	7.14	14.0%	58.25	28.54		3.96%
Unweighted Average		49.53	6.77	13.7%	56.30	27.10		3.87%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(11.2)	59.44	3.85	6.5%	63.29	15.39	
Island Tel	(2.6)	46.10	2.35	5.1%	48.44	9.39	68.1%
MT&T	(26.4)	44.58	3.26	7.3%	47.84	13.03	65.0%
NBTel	(21.3)	59.85	3.61	6.0%	63.46	14.44	73.3%
Bell	(423.4)	51.91	3.23	6.2%	55.13	12.90	80.3%
Manitoba Tel	(16.1)	34.34	1.43	4.2%	35.77	5.71	
SaskTel	(36.7)	39.61	3.68	9.3%	43.28	14.70	
AGT	(89.6)	51.28	4.75	9.3%	56.03	19.00	69.7%
B.C. Tel	(106.6)	58.65	3.99	6.8%	62.65	15.98	78.5%
Total or Mean	(734.0)	51.11	3.41	6.7%	54.52	13.65	
Unweighted Average		49.53	3.35	6.8%	52.88	13.39	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 2.99 cts/min 9.3% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(11.2)	17.90	2.27	12.7%	20.17	9.09		9.10
Island Tel	(2.6)	15.38	1.62	10.5%	17.00	6.49	73.0%	7.21
MT&T	(26.4)	17.22	2.38	13.8%	19.60	9.53	70.5%	8.70
NBTel	(21.3)	16.94	2.43	14.4%	19.37	9.72	65.9%	7.45
Bell	(423.4)	15.36	2.08	13.5%	17.44	8.31	67.3%	7.69
Manitoba Tel	(16.1)	11.72	0.93	7.9%	12.64	3.71		5.03
SaskTel	(36.7)	14.08	2.43	17.2%	16.51	9.71		7.79
AGT	(89.6)	18.46	3.10	16.8%	21.56	12.40	68.7%	9.87
B.C. Tel	(106.6)	17.03	2.51	14.7%	19.54	10.02	73.1%	8.65
Total or Mean	(734.0)	15.72	2.19	13.9%	17.91	8.76		7.60
Unweighted Average		16.01	2.19	13.7%	18.20	8.78		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(11.2)	17.90	3.85	21.5%	21.75	15.39	
Island Tel	(2.6)	15.38	2.35	15.3%	17.73	9.39	68.1%
MT&T	(26.4)	17.22	3.26	18.9%	20.48	13.03	64.0%
NBTel	(21.3)	16.94	3.61	21.3%	20.55	14.44	54.5%
Bell	(423.4)	15.36	3.23	21.0%	18.58	12.90	56.0%
Manitoba Tel	(16.1)	11.72	1.43	12.2%	13.14	5.71	
SaskTel	(36.7)	14.08	3.68	26.1%	17.76	14.70	
AGT	(89.6)	18.46	4.75	25.7%	23.21	19.00	60.7%
B.C. Tel	(106.6)	17.03	3.99	23.5%	21.03	15.98	64.5%
Total or Mean	(734.0)	15.72	3.39	21.6%	19.11	13.55	
Unweighted Average		16.01	3.35	20.9%	19.36	13.39	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 2.99 cts/min 9.3% of Telco rate.
Market Lost to Competition: -20.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(3.8)	33.13	5.12	15.4%	38.25	20.47	61.8%	4.39%
Quebec-Tel	(16.1)	32.51	7.82	24.1%	40.33	31.28		5.22%
Telebec	(7.2)	42.42	4.13	9.7%	46.56	16.53		3.48%
Northern Tel	(2.5)	30.45	3.59	11.8%	34.04	14.35		5.07%
Thunder Bay	(0.5)	12.11	0.37	3.0%	12.47	1.46		1.23%
'edmonton tel'	(2.3)	20.51	0.39	1.9%	20.90	1.55		0.63%
Prince Rupert	(0.0)	20.65	0.15	0.7%	20.79	0.59		0.46%
NorthwesTel	(5.6)	29.58	5.46	18.4%	35.03	21.82		4.39%
Total or Mean	(38.0)	24.19	2.14	8.9%	26.34	8.58		3.87%
Unweighted Average		27.67	3.38	12.2%	31.05	13.51		3.11%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(3.8)	33.13	2.44	7.4%	35.57	9.75	68.4%
Quebec-Tel	(16.1)	32.51	3.88	11.9%	36.38	15.51	
Telebec	(7.2)	42.42	1.88	4.4%	44.30	7.50	
Northern Tel	(2.5)	30.45	1.96	6.4%	32.41	7.84	
Thunder Bay	(0.5)	12.11	0.24	2.0%	12.35	0.98	
'edmonton tel'	(2.3)	20.51	0.25	1.2%	20.77	1.01	
Prince Rupert	(0.0)	20.65	0.08	0.4%	20.73	0.32	
NorthwesTel	(5.6)	29.58	4.15	14.0%	33.73	16.62	
Total or Mean	(38.0)	24.19	1.18	4.9%	25.37	4.71	
Unweighted Average		27.67	1.86	6.7%	29.53	7.44	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 2.99 cts/min 9.3% of Telco rate.
Market Lost to Competition: -20.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(3.8)	13.28	2.05	15.4%	15.34	8.21	83.4%	10.83
Quebec-Tel	(16.1)	12.21	2.94	24.1%	15.15	11.75		11.27
Telebec	(7.2)	14.74	1.44	9.7%	16.17	5.74		7.04
Northern Tel	(2.5)	11.50	1.35	11.8%	12.86	5.42		8.49
Thunder Bay	(0.5)	5.13	0.16	3.0%	5.29	0.62		4.19
'edmonton tel'	(2.3)	6.96	0.13	1.9%	7.09	0.52		3.56
Prince Rupert	(0.0)	8.93	0.06	0.7%	8.99	0.25		3.28
NorthwesTel	(5.6)	14.79	2.73	18.4%	17.52	10.91		11.04
Total or Mean	(38.0)	10.62	1.41	13.3%	12.03	5.65		6.84
Unweighted Average		10.94	1.36	12.4%	12.30	5.43		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Terra Nova Tel	(3.8)	13.28	2.44	18.4%	15.72	9.75	81.2%
Quebec-Tel	(16.1)	12.21	3.88	31.7%	16.09	15.51	
Telebec	(7.2)	14.74	1.88	12.7%	16.61	7.50	
Northern Tel	(2.5)	11.50	1.96	17.0%	13.46	7.84	
Thunder Bay	(0.5)	5.13	0.24	4.8%	5.38	0.98	
'edmonton tel'	(2.3)	6.96	0.25	3.6%	7.21	1.01	
Prince Rupert	(0.0)	8.93	0.08	0.9%	9.01	0.32	
NorthwesTel	(5.6)	14.79	4.15	28.1%	18.94	16.62	
Total or Mean	(38.0)	10.62	1.90	17.9%	12.51	7.59	
Unweighted Average		10.94	1.86	17.0%	12.80	7.44	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	MIXED	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-10.0%	
			Competing rates discounted by 43.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(8.9)	59.44	5.96	10.0%	65.40	13.85		2.99%
Island Tel	(2.2)	46.10	4.02	8.7%	50.12	9.36	68.1%	3.02%
MT&T	(20.6)	44.58	4.81	10.8%	49.39	11.19	66.5%	3.14%
NBTel	(16.3)	59.85	6.59	11.0%	66.44	15.34	72.3%	3.30%
Bell	(347.7)	51.91	5.76	11.1%	57.67	13.41	79.9%	3.13%
Manitoba Tel	(17.5)	34.34	2.95	8.6%	37.29	6.86		2.04%
SaskTel	(28.8)	39.61	5.36	13.5%	44.96	12.46		3.04%
AGT	(67.4)	51.28	6.47	12.6%	57.75	15.06	73.6%	3.23%
B.C. Tel	(85.8)	58.65	6.95	11.8%	65.60	16.15	78.3%	3.51%
Total or Mean	(595.1)	51.11	5.79	11.3%	56.90	13.46		3.14%
Unweighted Average		49.53	5.43	11.0%	54.96	12.63		3.04%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(8.9)	59.44	3.04	5.1%	62.48	7.06	
Island Tel	(2.2)	46.10	1.94	4.2%	48.04	4.52	73.3%
MT&T	(20.6)	44.58	2.54	5.7%	47.12	5.90	71.4%
NBTel	(16.3)	59.85	2.77	4.6%	62.62	6.45	83.6%
Bell	(347.7)	51.91	2.65	5.1%	54.55	6.16	86.3%
Manitoba Tel	(17.5)	34.34	1.55	4.5%	35.89	3.60	
SaskTel	(28.8)	39.61	2.88	7.3%	42.49	6.71	
AGT	(67.4)	51.28	3.57	7.0%	54.85	8.31	81.1%
B.C. Tel	(85.8)	58.65	3.22	5.5%	61.87	7.48	85.4%
Total or Mean	(595.1)	51.11	2.77	5.4%	53.88	6.43	
Unweighted Average		49.53	2.68	5.4%	52.21	6.24	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 43.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(8.9)	17.90	1.79	10.0%	19.69	4.17		8.07
Island Tel	(2.2)	15.38	1.34	8.7%	16.72	3.12	79.0%	5.85
MT&T	(20.6)	17.22	1.86	10.8%	19.08	4.32	79.5%	7.44
NBTel	(16.3)	16.94	1.87	11.0%	18.80	4.34	80.4%	5.73
Bell	(347.7)	15.36	1.71	11.1%	17.06	3.97	77.4%	6.46
Manitoba Tel	(17.5)	11.72	1.01	8.6%	12.72	2.34		3.71
SaskTel	(28.8)	14.08	1.90	13.5%	15.99	4.43		6.30
AGT	(67.4)	18.46	2.33	12.6%	20.79	5.42	78.4%	8.66
B.C. Tel	(85.8)	17.03	2.02	11.8%	19.05	4.69	80.3%	7.63
Total or Mean	(595.1)	15.72	1.78	11.3%	17.50	4.13		6.26
Unweighted Average		16.01	1.76	11.0%	17.77	4.09		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(8.9)	17.90	3.04	17.0%	20.94	7.06	
Island Tel	(2.2)	15.38	1.94	12.6%	17.33	4.52	76.5%
MT&T	(20.6)	17.22	2.54	14.7%	19.76	5.90	77.0%
NBTel	(16.3)	16.94	2.77	16.4%	19.71	6.45	74.7%
Bell	(347.7)	15.36	2.65	17.2%	18.01	6.16	72.6%
Manitoba Tel	(17.5)	11.72	1.55	13.2%	13.27	3.60	
SaskTel	(28.8)	14.08	2.88	20.5%	16.97	6.71	
AGT	(67.4)	18.46	3.57	19.4%	22.03	8.31	74.3%
B.C. Tel	(85.8)	17.03	3.22	18.9%	20.25	7.48	76.7%
Total or Mean	(595.1)	15.72	2.75	17.5%	18.47	6.39	
Unweighted Average		16.01	2.68	16.8%	18.69	6.24	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates
discounted by 43.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(3.1)	33.13	4.17	12.6%	37.30	9.71	69.1%	3.48%
Quebec-Tel	(10.8)	32.51	5.23	16.1%	37.74	12.17		3.42%
Telebec	(5.9)	42.42	3.41	8.0%	45.83	7.93		2.82%
Northern Tel	(1.9)	30.45	2.75	9.0%	33.21	6.41		3.89%
Thunder Bay	(1.0)	12.11	0.68	5.7%	12.79	1.59		2.30%
'edmonton tel'	(8.4)	20.51	1.45	7.0%	21.96	3.36		2.33%
Prince Rupert	(0.1)	20.65	0.84	4.1%	21.49	1.96		2.67%
NorthwesTel	(4.4)	29.58	4.25	14.4%	33.83	9.88		3.32%
Total or Mean	(35.6)	24.19	2.29	9.5%	26.48	5.33		3.58%
Unweighted Average		27.67	2.85	10.3%	30.52	6.63		3.03%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(3.1)	33.13	1.99	6.0%	35.12	4.62	72.1%
Quebec-Tel	(10.8)	32.51	2.59	8.0%	35.10	6.03	
Telebec	(5.9)	42.42	1.55	3.6%	43.97	3.60	
Northern Tel	(1.9)	30.45	1.51	4.9%	31.96	3.50	
Thunder Bay	(1.0)	12.11	0.46	3.8%	12.56	1.06	
'edmonton tel'	(8.4)	20.51	0.94	4.6%	21.46	2.19	
Prince Rupert	(0.1)	20.65	0.47	2.3%	21.11	1.08	
NorthwesTel	(4.4)	29.58	3.24	10.9%	32.81	7.52	
Total or Mean	(35.6)	24.19	1.34	5.5%	25.53	3.11	
Unweighted Average		27.67	1.59	5.8%	29.26	3.70	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:			
	Competitive MTS/WATS Providers:	MIXED	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-10.0%	

Competing rates discounted by 43.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(3.1)	13.28	1.67	12.6%	14.96	3.89	88.7%	10.70
Quebec-Tel	(10.8)	12.21	1.97	16.1%	14.18	4.57		9.27
Telebec	(5.9)	14.74	1.18	8.0%	15.92	2.75		5.59
Northern Tel	(1.9)	11.50	1.04	9.0%	12.54	2.42		7.07
Thunder Bay	(1.0)	5.13	0.29	5.7%	5.42	0.68		3.74
'edmonton tel'	(8.4)	6.96	0.49	7.0%	7.45	1.14		3.54
Prince Rupert	(0.1)	8.93	0.36	4.1%	9.29	0.85		2.82
NorthwesTel	(4.4)	14.79	2.12	14.4%	16.91	4.94		10.48
Total or Mean	(35.6)	10.62	1.17	11.0%	11.78	2.71		6.04
Unweighted Average		10.94	1.14	10.4%	12.08	2.66		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(3.1)	13.28	1.99	15.0%	15.27	4.62	88.1%
Quebec-Tel	(10.8)	12.21	2.59	21.2%	14.81	6.03	
Telebec	(5.9)	14.74	1.55	10.5%	16.29	3.60	
Northern Tel	(1.9)	11.50	1.51	13.1%	13.01	3.50	
Thunder Bay	(1.0)	5.13	0.46	8.9%	5.59	1.06	
'edmonton tel'	(8.4)	6.96	0.94	13.6%	7.90	2.19	
Prince Rupert	(0.1)	8.93	0.47	5.2%	9.39	1.08	
NorthwesTel	(4.4)	14.79	3.24	21.9%	18.02	7.52	
Total or Mean	(35.6)	10.62	1.64	15.5%	12.26	3.82	
Unweighted Average		10.94	1.59	14.5%	12.54	3.70	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 46.10%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(17.6)	59.44	11.81	19.9%	71.25	25.61		6.09%
Island Tel	(4.3)	46.10	7.97	17.3%	54.07	17.29	61.4%	6.14%
MT&T	(40.8)	44.58	9.55	21.4%	54.13	20.72	59.6%	6.41%
NBTel	(32.4)	59.85	13.09	21.9%	72.94	28.40	60.4%	6.71%
Bell	(690.0)	51.91	11.44	22.0%	63.35	24.82	71.6%	6.33%
Manitoba Tel	(34.7)	34.34	5.85	17.0%	40.19	12.69		4.15%
SaskTel	(57.2)	39.61	10.65	26.9%	50.26	23.11		6.21%
AGT	(133.8)	51.28	12.85	25.1%	64.13	27.87	62.0%	6.61%
B.C. Tel	(170.3)	58.65	13.78	23.5%	72.43	29.89	69.3%	7.14%
Total or Mean	(1,181.1)	51.11	11.49	22.5%	62.60	24.92		6.37%
Unweighted Average		49.53	10.78	21.8%	60.31	23.38		6.20%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(17.6)	59.44	6.02	10.1%	65.46	13.06	
Island Tel	(4 3)	46.10	3.85	8.4%	49.95	8.35	69.1%
MT&T	(40.8)	44.58	5.04	11.3%	49.62	10.94	66.7%
NBTel	(32.4)	59.85	5.50	9.2%	65.35	11.94	76.2%
Bell	(690.0)	51.91	5.26	10.1%	57.16	11.40	81.6%
Manitoba Tel	(34.7)	34.34	3.07	9.0%	37.41	6.67	
SaskTel	(57.2)	39.61	5.74	14.5%	45.34	12.44	
AGT	(133.8)	51.28	7.09	13.8%	58.37	15.38	73.3%
B.C. Tel	(170.3)	58.65	6.38	10.9%	65.03	13.84	80.1%
Total or Mean	(1,181 1)	51.11	5.49	10.7%	56.60	11.91	
Unweighted Average		49.53	5.33	10.8%	54.86	11.56	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED	
Geographic Areas of Competition:	All Canada	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
Market Lost to Competition:	-20.0%	

Competing rates
discounted by 46.10%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(17.6)	17.90	3.56	19.9%	21.46	7.71		7.71
Island Tel	(4.3)	15.38	2.66	17.3%	18.04	5.77	74.3%	5.59
MT&T	(40.8)	17.22	3.69	21.4%	20.91	8.00	73.3%	7.13
NBTel	(32.4)	16.94	3.71	21.9%	20.64	8.04	70.4%	5.49
Bell	(690.0)	15.36	3.39	22.0%	18.74	7.34	69.7%	6.18
Manitoba Tel	(34.7)	11.72	2.00	17.0%	13.71	4.33		3.55
SaskTel	(57.2)	14.08	3.79	26.9%	17.87	8.22		6.05
AGT	(133.8)	18.46	4.63	25.1%	23.09	10.03	71.9%	8.29
B.C. Tel	(170.3)	17.03	4.00	23.5%	21.03	8.68	75.0%	7.30
Total or Mean	(1,181.1)	15.72	3.53	22.4%	19.25	7.65		5.99
Unweighted Average		16.01	3.49	21.8%	19.50	7.57		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(17.6)	17.90	6.02	33.6%	23.92	13.06	
Island Tel	(4.3)	15.38	3.85	25.0%	19.23	8.35	69.8%
MT&T	(40.8)	17.22	5.04	29.3%	22.26	10.94	67.9%
NBTel	(32.4)	16.94	5.50	32.5%	22.44	11.94	60.2%
Bell	(690.0)	15.36	5.26	34.2%	20.61	11.40	59.6%
Manitoba Tel	(34.7)	11.72	3.07	26.2%	14.79	6.67	
SaskTel	(57.2)	14.08	5.74	40.7%	19.82	12.44	
AGT	(133.8)	18.46	7.09	38.4%	25.55	15.38	64.9%
B.C. Tel	(170.3)	17.03	6.38	37.5%	23.41	13.84	67.6%
Total or Mean	(1,181.1)	15.72	5.46	34.7%	21.18	11.84	
Unweighted Average		16.01	5.33	33.3%	21.34	11.56	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 46.10%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	--------- BUSINESS --------- MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(6.1)	33.13	8.30	25.0%	41.43	18.00	63.2%	7.12%
Quebec-Tel	(21.5)	32.51	10.42	32.0%	42.92	22.60		6.95%
Telebec	(11.8)	42.42	6.77	16.0%	49.20	14.69		5.71%
Northern Tel	(3.8)	30.45	5.51	18.1%	35.96	11.95		7.79%
Thunder Bay	(2.0)	12.11	1.37	11.3%	13.48	2.97		4.59%
'edmonton tel'	(16.9)	20.51	2.90	14.2%	23.42	6.30		4.70%
Prince Rupert	(0.3)	20.65	1.69	8.2%	22.33	3.66		5.35%
NorthwesTel	(8.7)	29.58	8.42	28.5%	38.00	18.27		6.78%
Total or Mean	(71.0)	24.19	4.57	18.9%	28.76	9.92		7.25%
Unweighted Average		27.67	5.67	20.5%	33.34	12.30		6.12%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(6.1)	33.13	3.95	11.9%	37.08	8.57	69.1%
Quebec-Tel	(21.5)	32.51	5.16	15.9%	37.67	11.20	
Telebec	(11.8)	42.42	3.08	7.2%	45.50	6.67	
Northern Tel	(3.8)	30.45	3.01	9.9%	33.46	6.53	
Thunder Bay	(2.0)	12.11	0.91	7.5%	13.02	1.98	
'edmonton tel'	(16.9)	20.51	1.90	9.2%	22.41	4.11	
Prince Rupert	(0.3)	20.65	0.93	4.5%	21.58	2.02	
NorthwesTel	(8.7)	29.58	6.41	21.7%	35.99	13.91	
Total or Mean	(71.0)	24.19	2.67	11.0%	26.86	5.79	
Unweighted Average		27.67	3.17	11.5%	30.84	6.87	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:	Competitive MTS/WATS Providers:	MIXED	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-20.0%	
			Competing rates discounted by 46.10%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(6.1)	13.28	3.33	25.0%	16.61	7.22	84.6%	10.26
Quebec-Tel	(21.5)	12.21	3.91	32.0%	16.13	8.49		8.90
Telebec	(11.8)	14.74	2.35	16.0%	17.09	5.10		5.35
Northern Tel	(3.8)	11.50	2.08	18.1%	13.59	4.51		6.82
Thunder Bay	(2.0)	5.13	0.58	11.3%	5.71	1.26		3.61
'edmonton tel'	(16.9)	6.96	0.98	14.2%	7.94	2.14		3.43
Prince Rupert	(0.3)	8.93	0.73	8.2%	9.66	1.58		2.71
NorthwesTel	(8.7)	14.79	4.21	28.5%	19.00	9.13		10.02
Total or Mean	(71.0)	10.62	2.32	21.9%	12.94	5.04		5.81
Unweighted Average		10.94	2.27	20.8%	13.22	4.93		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(6.1)	13.28	3.95	29.8%	17.24	8.57	82.9%
Quebec-Tel	(21.5)	12.21	5.16	42.3%	17.38	11.20	
Telebec	(11.8)	14.74	3.08	20.9%	17.81	6.67	
Northern Tel	(3.8)	11.50	3.01	26.2%	14.52	6.53	
Thunder Bay	(2.0)	5.13	0.91	17.8%	6.05	1.98	
'edmonton tel'	(16.9)	6.96	1.90	27.2%	8.85	4.11	
Prince Rupert	(0.3)	8.93	0.93	10.4%	9.86	2.02	
NorthwesTel	(8.7)	14.79	6.41	43.4%	21.20	13.91	
Total or Mean	(71.0)	10.62	3.28	30.9%	13.89	7.11	
Unweighted Average		10.94	3.17	29.0%	14.11	6.87	

The Financial Impacts of Competition in Public Long Distance Telephone Services on Canada's Telephone Companies

TABLES
(Attachments to Final Report)

III. MIXED COMPETITION

August 1988

III.

MIXED COMPETITION

1. STATUS QUO RATES

-	Bell/B.C. Tel only	S(B)
-	Telecom Canada Members	S(T)
-	All Canada	S(A)

2. REBALANCED RATES

-	Bell/B.C. Tel Only	R(B)
-	Telecom Canada Members	R(T)
-	All Canada	R(A)

STATUS QUO RATES

Bell/B.C.Tel Only

S(B)

1. STATUS QUO RATES

Bell/B.C.Tel Only **S(B)**

SEQUENCE OF TABLES

0% rate discount by Competitor
  10% market loss by Telcos
  20% market loss by Telcos

10% rate discount by Competitor
  10% market loss by Telcos
  20% market loss by Telcos

25% rate discount by Competitor
  10% market loss by Telcos
  20% market loss by Telcos

Maximum rate discount by Competitor
(no contribution payment)
  10% market loss by Telcos
  20% market loss by Telcos

For explanation of Tables, see Pages III-1 to III-7 of the Final Report

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA	NA	0.00%
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA	0.00%
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA	0.00%
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA	0.00%
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA	0.00%
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA	NA	0.00%
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA	NA	0.00%
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA	0.00%
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA	0.00%
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA		0.00%
Unweighted Average		28.22	0.00	0.0%	28.22	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA	NA
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA	NA
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA	NA
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA	
Unweighted Average		28.22	0.00	0.0%	28.22	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Productivity Improvement: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA	NA	NA
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA	NA	NA
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA	NA	NA
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA		NA
Unweighted Average		9.06	0.00	0.0%	9.06	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA	NA
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA	NA
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA	NA
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA	
Unweighted Average		9.06	0.00	0.0%	9.06	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 9.64 cts/min 23.3% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.7)	37.82	1.16	3.1%	38.98	NA	NA	0.60%
Island Tel	(0.6)	30.36	1.12	3.7%	31.48	NA	NA	0.89%
MT&T	(4.7)	25.60	1.10	4.3%	26.70	NA	NA	0.75%
NBTel	(3.9)	32.22	1.58	4.9%	33.81	NA	NA	0.82%
Bell	(60.8)	35.12	1.01	2.9%	36.13	NA	NA	0.57%
Manitoba Tel	(6.7)	18.19	1.13	6.2%	19.32	NA	NA	0.82%
SaskTel	(7.2)	17.07	1.33	7.8%	18.40	NA	NA	0.79%
AGT	(19.2)	22.85	1.85	8.1%	24.70	NA	NA	0.96%
B.C. Tel	(19.4)	34.72	1.57	4.5%	36.29	NA	NA	0.83%
Total or Mean	(124.2)	31.64	1.20	3.8%	32.84	NA		0.68%
Unweighted Average		28.22	1.32	4.7%	29.54	NA		0.78%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(1.7)	37.82	0.59	1.6%	38.41	NA	NA
Island Tel	(0.6)	30.36	0.54	1.8%	30.90	NA	NA
MT&T	(4.7)	25.60	0.58	2.3%	26.18	NA	NA
NBTel	(3.9)	32.22	0.67	2.1%	32.89	NA	NA
Bell	(60.8)	35.12	0.46	1.3%	35.59	NA	NA
Manitoba Tel	(6.7)	18.19	0.60	3.3%	18.79	NA	NA
SaskTel	(7.2)	17.07	0.72	4.2%	17.79	NA	NA
AGT	(19.2)	22.85	1.02	4.5%	23.87	NA	NA
B.C. Tel	(19.4)	34.72	0.73	2.1%	35.45	NA	NA
Total or Mean	(124.2)	31.64	0.58	1.8%	32.22	NA	
Unweighted Average		28.22	0.66	2.3%	28.87	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 9.64 cts/min 23.3% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(1.7)	11.39	0.35	3.1%	11.74	NA	NA	NA
Island Tel	(0.6)	10.13	0.37	3.7%	10.51	NA	NA	NA
MT&T	(4.7)	9.89	0.43	4.3%	10.31	NA	NA	NA
NBTel	(3.9)	9.12	0.45	4.9%	9.57	NA	NA	NA
Bell	(60.8)	10.39	0.30	2.9%	10.69	NA	NA	11.82
Manitoba Tel	(6.7)	6.21	0.39	6.2%	6.59	NA	NA	NA
SaskTel	(7.2)	6.07	0.47	7.8%	6.54	NA	NA	NA
AGT	(19.2)	8.23	0.67	8.1%	8.89	NA	NA	NA
B.C. Tel	(19.4)	10.08	0.45	4.5%	10.54	NA	NA	13.77
Total or Mean	(124.2)	9.78	0.37	3.7%	10.14	NA		13.45
Unweighted Average		9.06	0.43	4.8%	9.49	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(1.7)	11.39	0.59	5.2%	11.98	NA	NA
Island Tel	(0.6)	10.13	0.54	5.3%	10.67	NA	NA
MT&T	(4.7)	9.89	0.58	5.9%	10.47	NA	NA
NBTel	(3.9)	9.12	0.67	7.3%	9.79	NA	NA
Bell	(60.8)	10.39	0.46	4.5%	10.85	NA	NA
Manitoba Tel	(6.7)	6.21	0.60	9.6%	6.80	NA	NA
SaskTel	(7.2)	6.07	0.72	11.8%	6.79	NA	NA
AGT	(19.2)	8.23	1.02	12.4%	9.25	NA	NA
B.C. Tel	(19.4)	10.08	0.73	7.2%	10.81	NA	NA
Total or Mean	(124.2)	9.78	0.57	5.8%	10.34	NA	
Unweighted Average		9.06	0.66	7.2%	9.71	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 10.41 cts/min 25.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.4)	37.82	2.26	6.0%	40.08	NA	NA	1.18%
Island Tel	(1.2)	30.36	2.21	7.3%	32.57	NA	NA	1.75%
MT&T	(9.2)	25.60	2.16	8.4%	27.76	NA	NA	1.48%
NBTel	(7.9)	32.22	3.18	9.9%	35.41	NA	NA	1.65%
Bell	(70.8)	35.12	1.17	3.3%	36.30	NA	NA	0.67%
Manitoba Tel	(13.3)	18.19	2.25	12.4%	20.44	NA	NA	1.62%
SaskTel	(14.1)	17.07	2.62	15.3%	19.69	NA	NA	1.55%
AGT	(38.0)	22.85	3.65	16.0%	26.50	NA	NA	1.90%
B.C. Tel	(28.3)	34.72	2.29	6.6%	37.02	NA	NA	1.24%
Total or Mean	(186.2)	31.64	1.79	5.7%	33.43	NA		1.03%
Unweighted Average		28.22	2.42	8.6%	30.64	NA		1.45%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(3.4)	37.82	1.15	3.0%	38.98	NA	NA
Island Tel	(1.2)	30.36	1.07	3.5%	31.43	NA	NA
MT&T	(9.2)	25.60	1.14	4.5%	26.74	NA	NA
NBTel	(7.9)	32.22	1.34	4.2%	33.56	NA	NA
Bell	(70.8)	35.12	0.54	1.5%	35.66	NA	NA
Manitoba Tel	(13.3)	18.19	1.18	6.5%	19.37	NA	NA
SaskTel	(14.1)	17.07	1.41	8.3%	18.48	NA	NA
AGT	(38.0)	22.85	2.01	8.8%	24.87	NA	NA
B.C. Tel	(28.3)	34.72	1.06	3.1%	35.79	NA	NA
Total or Mean	(186.2)	31.64	0.88	2.8%	32.52	NA	
Unweighted Average		28.22	1.21	4.3%	29.43	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 10.41 cts/min 25.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.4)	11.39	0.68	6.0%	12.07	NA	NA	NA
Island Tel	(1.2)	10.13	0.74	7.3%	10.87	NA	NA	NA
MT&T	(9.2)	9.89	0.83	8.4%	10.72	NA	NA	NA
NBTel	(7.9)	9.12	0.90	9.9%	10.02	NA	NA	NA
Bell	(70.8)	10.39	0.35	3.3%	10.74	NA	NA	11.68
Manitoba Tel	(13.3)	6.21	0.77	12.4%	6.97	NA	NA	NA
SaskTel	(14.1)	6.07	0.93	15.3%	7.00	NA	NA	NA
AGT	(38.0)	8.23	1.31	16.0%	9.54	NA	NA	NA
B.C. Tel	(28.3)	10.08	0.67	6.6%	10.75	NA	NA	13.42
Total or Mean	(186.2)	9.78	0.54	5.5%	10.32	NA		13.27
Unweighted Average		9.06	0.80	8.8%	9.85	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(3.4)	11.39	1.15	10.1%	12.54	NA	NA
Island Tel	(1.2)	10.13	1.07	10.5%	11.20	NA	NA
MT&T	(9.2)	9.89	1.14	11.5%	11.03	NA	NA
NBTel	(7.9)	9.12	1.34	14.7%	10.46	NA	NA
Bell	(70.8)	10.39	0.54	5.2%	10.93	NA	NA
Manitoba Tel	(13.3)	6.21	1.18	19.0%	7.39	NA	NA
SaskTel	(14.1)	6.07	1.41	23.2%	7.48	NA	NA
AGT	(38.0)	8.23	2.01	24.5%	10.24	NA	NA
B.C. Tel	(28.3)	10.08	1.06	10.5%	11.14	NA	NA
Total or Mean	(186.2)	9.78	0.83	8.5%	10.61	NA	
Unweighted Average		9.06	1.21	13.4%	10.27	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.83 cts/min 18.9% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%
Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.7)	37.82	1.16	3.1%	38.98	NA	NA	0.60%
Island Tel	(0.6)	30.36	1.12	3.7%	31.48	NA	NA	0.89%
MT&T	(4.7)	25.60	1.10	4.3%	26.70	NA	NA	0.75%
NBTel	(3.9)	32.22	1.58	4.9%	33.81	NA	NA	0.82%
Bell	(96.7)	35.12	1.60	4.6%	36.73	16.04	77.8%	0.90%
Manitoba Tel	(6.7)	18.19	1.13	6.2%	19.32	NA	NA	0.82%
SaskTel	(7.2)	17.07	1.33	7.8%	18.40	NA	NA	0.79%
AGT	(19.2)	22.85	1.85	8.1%	24.70	NA	NA	0.96%
B.C. Tel	(27.0)	34.72	2.18	6.3%	36.91	21.85	74.3%	1.16%
Total or Mean	(167.8)	31.64	1.64	5.2%	33.27	16.35		0.92%
Unweighted Average		28.22	1.45	5.1%	29.67	14.52		0.86%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(1.7)	37.82	0.59	1.6%	38.41	NA	NA
Island Tel	(0.6)	30.36	0.54	1.8%	30.90	NA	NA
MT&T	(4.7)	25.60	0.58	2.3%	26.18	NA	NA
NBTel	(3.9)	32.22	0.67	2.1%	32.89	NA	NA
Bell	(96.7)	35.12	0.74	2.1%	35.86	7.37	85.1%
Manitoba Tel	(6.7)	18.19	0.60	3.3%	18.79	NA	NA
SaskTel	(7.2)	17.07	0.72	4.2%	17.79	NA	NA
AGT	(19.2)	22.85	1.02	4.5%	23.87	NA	NA
B.C. Tel	(27.0)	34.72	1.01	2.9%	35.74	10.11	83.1%
Total or Mean	(167.8)	31.64	0.78	2.5%	32.42	7.81	
Unweighted Average		28.22	0.72	2.5%	28.94	7.18	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.83 cts/min 18.9% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(1.7)	11.39	0.35	3.1%	11.74	NA	NA	NA
Island Tel	(0.6)	10.13	0.37	3.7%	10.51	NA	NA	NA
MT&T	(4.7)	9.89	0.43	4.3%	10.31	NA	NA	NA
NBTel	(3.9)	9.12	0.45	4.9%	9.57	NA	NA	NA
Bell	(96.7)	10.39	0.47	4.6%	10.87	4.74	75.8%	11.06
Manitoba Tel	(6.7)	6.21	0.39	6.2%	6.59	NA	NA	NA
SaskTel	(7.2)	6.07	0.47	7.8%	6.54	NA	NA	NA
AGT	(19.2)	8.23	0.67	8.1%	8.89	NA	NA	NA
B.C. Tel	(27.0)	10.08	0.63	6.3%	10.72	6.34	78.2%	13.21
Total or Mean	(167.8)	9.78	0.50	5.1%	10.28	5.00		12.63
Unweighted Average		9.06	0.47	5.2%	9.53	4.70		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(1.7)	11.39	0.59	5.2%	11.98	NA	NA
Island Tel	(0.6)	10.13	0.54	5.3%	10.67	NA	NA
MT&T	(4.7)	9.89	0.58	5.9%	10.47	NA	NA
NBTel	(3.9)	9.12	0.67	7.3%	9.79	NA	NA
Bell	(96.7)	10.39	0.74	7.1%	11.13	7.37	69.7%
Manitoba Tel	(6.7)	6.21	0.60	9.6%	6.80	NA	NA
SaskTel	(7.2)	6.07	0.72	11.8%	6.79	NA	NA
AGT	(19.2)	8.23	1.02	12.4%	9.25	NA	NA
B.C. Tel	(27.0)	10.08	1.01	10.0%	11.09	10.11	73.0%
Total or Mean	(167.8)	9.78	0.78	7.9%	10.55	7.75	
Unweighted Average		9.06	0.72	7.9%	9.77	7.18	

TELECOM CANADA MEMBERS

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INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 8.55 cts/min 20.5% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.4)	37.82	2.26	6.0%	40.08	NA	NA	1.18%
Island Tel	(1.2)	30.36	2.21	7.3%	32.57	NA	NA	1.75%
MT&T	(9.2)	25.60	2.16	8.4%	27.76	NA	NA	1.48%
NBTel	(7.9)	32.22	3.18	9.9%	35.41	NA	NA	1.65%
Bell	(143.2)	35.12	2.37	6.8%	37.50	23.74	72.3%	1.36%
Manitoba Tel	(13.3)	18.19	2.25	12.4%	20.44	NA	NA	1.62%
SaskTel	(14.1)	17.07	2.62	15.3%	19.69	NA	NA	1.55%
AGT	(38.0)	22.85	3.65	16.0%	26.50	NA	NA	1.90%
B.C. Tel	(43.6)	34.72	3.53	10.2%	38.25	35.30	66.3%	1.91%
Total or Mean	(273.9)	31.64	2.66	8.4%	34.30	26.59		1.52%
Unweighted Average		28.22	2.69	9.5%	30.91	26.93		1.60%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

Nfld Tel	(3.4)	37.82	1.15	3.0%	38.98	NA	NA
Island Tel	(1.2)	30.36	1.07	3.5%	31.43	NA	NA
MT&T	(9.2)	25.60	1.14	4.5%	26.74	NA	NA
NBTel	(7.9)	32.22	1.34	4.2%	33.56	NA	NA
Bell	(143.2)	35.12	1.09	3.1%	36.21	10.91	82.0%
Manitoba Tel	(13.3)	18.19	1.18	6.5%	19.37	NA	NA
SaskTel	(14.1)	17.07	1.41	8.3%	18.48	NA	NA
AGT	(38.0)	22.85	2.01	8.8%	24.87	NA	NA
B.C. Tel	(43.6)	34.72	1.63	4.7%	36.36	16.34	78.2%
Total or Mean	(273.9)	31.64	1.28	4.0%	32.92	12.80	
Unweighted Average		28.22	1.34	4.7%	29.56	13.36	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 8.55 cts/min 20.5% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0%
Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.4)	11.39	0.68	6.0%	12.07	NA	NA	NA
Island Tel	(1.2)	10.13	0.74	7.3%	10.87	NA	NA	NA
MT&T	(9.2)	9.89	0.83	8.4%	10.72	NA	NA	NA
NBTel	(7.9)	9.12	0.90	9.9%	10.02	NA	NA	NA
Bell	(143.2)	10.39	0.70	6.8%	11.09	7.03	70.5%	10.95
Manitoba Tel	(13.3)	6.21	0.77	12.4%	6.97	NA	NA	NA
SaskTel	(14.1)	6.07	0.93	15.3%	7.00	NA	NA	NA
AGT	(38.0)	8.23	1.31	16.0%	9.54	NA	NA	NA
B.C. Tel	(43.6)	10.08	1.02	10.2%	11.11	10.25	72.8%	12.87
Total or Mean	(273.9)	9.78	0.81	8.3%	10.59	8.11		12.48
Unweighted Average		9.06	0.88	9.7%	9.93	8.77		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(3.4)	11.39	1.15	10.1%	12.54	NA	NA
Island Tel	(1.2)	10.13	1.07	10.5%	11.20	NA	NA
MT&T	(9.2)	9.89	1.14	11.5%	11.03	NA	NA
NBTel	(7.9)	9.12	1.34	14.7%	10.46	NA	NA
Bell	(143.2)	10.39	1.09	10.5%	11.48	10.91	60.8%
Manitoba Tel	(13.3)	6.21	1.18	19.0%	7.39	NA	NA
SaskTel	(14.1)	6.07	1.41	23.2%	7.48	NA	NA
AGT	(38.0)	8.23	2.01	24.5%	10.24	NA	NA
B.C. Tel	(43.6)	10.08	1.63	16.2%	11.72	16.34	64.0%
Total or Mean	(273.9)	9.78	1.26	12.8%	11.03	12.55	
Unweighted Average		9.06	1.34	14.8%	10.39	13.36	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED		
Geographic Areas of Competition:	Bell-B.C.Tel Only		
Rate Structure:	STATUS QUO RATES		
Contribution Charge:	5.14 cts/min	12.4% of Telco rate.	
Market Lost to Competition:	-10.0%		
Productivity Improvement:	0.0%	Competing rates discounted by	25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.7)	37.82	1.16	3.1%	38.98	NA	NA	0.60%
Island Tel	(0.6)	30.36	1.12	3.7%	31.48	NA	NA	0.89%
MT&T	(4.7)	25.60	1.10	4.3%	26.70	NA	NA	0.75%
NBTel	(3.9)	32.22	1.58	4.9%	33.81	NA	NA	0.82%
Bell	(159.4)	35.12	2.64	7.5%	37.77	10.57	82.3%	1.49%
Manitoba Tel	(6.7)	18.19	1.13	6.2%	19.32	NA	NA	0.82%
SaskTel	(7.2)	17.07	1.33	7.8%	18.40	NA	NA	0.79%
AGT	(19.2)	22.85	1.85	8.1%	24.70	NA	NA	0.96%
B.C. Tel	(40.3)	34.72	3.26	9.4%	37.99	13.05	80.7%	1.73%
Total or Mean	(243.8)	31.64	2.39	7.5%	34.03	9.55		1.34%
Unweighted Average		28.22	1.69	6.0%	29.91	6.75		0.98%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(1.7)	37.82	0.59	1.6%	38.41	NA	NA
Island Tel	(0.6)	30.36	0.54	1.8%	30.90	NA	NA
MT&T	(4.7)	25.60	0.58	2.3%	26.18	NA	NA
NBTel	(3.9)	32.22	0.67	2.1%	32.89	NA	NA
Bell	(159.4)	35.12	1.21	3.5%	36.34	4.86	87.5%
Manitoba Tel	(6.7)	18.19	0.60	3.3%	18.79	NA	NA
SaskTel	(7.2)	17.07	0.72	4.2%	17.79	NA	NA
AGT	(19.2)	22.85	1.02	4.5%	23.87	NA	NA
B.C. Tel	(40.3)	34.72	1.51	4.3%	36.23	6.04	86.6%
Total or Mean	(243.8)	31.64	1.13	3.6%	32.77	4.51	
Unweighted Average		28.22	0.83	2.9%	29.05	3.31	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 5.14 cts/min 12.4% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(1.7)	11.39	0.35	3.1%	11.74	NA	NA	NA
Island Tel	(0.6)	10.13	0.37	3.7%	10.51	NA	NA	NA
MT&T	(4.7)	9.89	0.43	4.3%	10.31	NA	NA	NA
NBTel	(3.9)	9.12	0.45	4.9%	9.57	NA	NA	NA
Bell	(159.4)	10.39	0.78	7.5%	11.17	3.13	79.0%	9.87
Manitoba Tel	(6.7)	6.21	0.39	6.2%	6.59	NA	NA	NA
SaskTel	(7.2)	6.07	0.47	7.8%	6.54	NA	NA	NA
AGT	(19.2)	8.23	0.67	8.1%	8.89	NA	NA	NA
B.C. Tel	(40.3)	10.08	0.95	9.4%	11.03	3.79	81.3%	12.28
Total or Mean	(243.8)	9.78	0.73	7.5%	10.51	2.94		11.34
Unweighted Average		9.06	0.54	6.0%	9.60	2.16		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(1.7)	11.39	0.59	5.2%	11.98	NA	NA
Island Tel	(0.6)	10.13	0.54	5.3%	10.67	NA	NA
MT&T	(4.7)	9.89	0.58	5.9%	10.47	NA	NA
NBTel	(3.9)	9.12	0.67	7.3%	9.79	NA	NA
Bell	(159.4)	10.39	1.21	11.7%	11.61	4.86	75.6%
Manitoba Tel	(6.7)	6.21	0.60	9.6%	6.80	NA	NA
SaskTel	(7.2)	6.07	0.72	11.8%	6.79	NA	NA
AGT	(19.2)	8.23	1.02	12.4%	9.25	NA	NA
B.C. Tel	(40.3)	10.08	1.51	15.0%	11.59	6.04	78.6%
Total or Mean	(243.8)	9.78	1.14	11.7%	10.92	4.56	
Unweighted Average		9.06	0.83	9.1%	9.88	3.31	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 5.78 cts/min 13.9% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.4)	37.82	2.26	6.0%	40.08	NA	NA	1.18%
Island Tel	(1.2)	30.36	2.21	7.3%	32.57	NA	NA	1.75%
MT&T	(9.2)	25.60	2.16	8.4%	27.76	NA	NA	1.48%
NBTel	(7.9)	32.22	3.18	9.9%	35.41	NA	NA	1.65%
Bell	(269.5)	35.12	4.47	12.7%	39.59	17.88	76.4%	2.55%
Manitoba Tel	(13.3)	18.19	2.25	12.4%	20.44	NA	NA	1.62%
SaskTel	(14.1)	17.07	2.62	15.3%	19.69	NA	NA	1.55%
AGT	(38.0)	22.85	3.65	16.0%	26.50	NA	NA	1.90%
B.C. Tel	(70.3)	34.72	5.69	16.4%	40.41	22.76	73.7%	3.07%
Total or Mean	(426.9)	31.64	4.18	13.2%	35.81	16.70		2.37%
Unweighted Average		28.22	3.17	11.2%	31.38	12.66		1.86%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(3.4)	37.82	1.15	3.0%	38.98	NA	NA
Island Tel	(1.2)	30.36	1.07	3.5%	31.43	NA	NA
MT&T	(9.2)	25.60	1.14	4.5%	26.74	NA	NA
NBTel	(7.9)	32.22	1.34	4.2%	33.56	NA	NA
Bell	(269.5)	35.12	2.05	5.8%	37.18	8.21	84.4%
Manitoba Tel	(13.3)	18.19	1.18	6.5%	19.37	NA	NA
SaskTel	(14.1)	17.07	1.41	8.3%	18.48	NA	NA
AGT	(38.0)	22.85	2.01	8.8%	24.87	NA	NA
B.C. Tel	(70.3)	34.72	2.63	7.6%	37.36	10.54	82.7%
Total or Mean	(426.9)	31.64	1.98	6.3%	33.62	7.91	
Unweighted Average		28.22	1.55	5.5%	29.77	6.22	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	MIXED	
Geographic Areas of Competition:	Bell-B.C.Tel Only	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	5.78 cts/min	13.9% of Telco rate.
Market Lost to Competition:	-20.0%	
Productivity Improvement:	0.0%	Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.4)	11.39	0.68	6.0%	12.07	NA	NA	NA
Island Tel	(1.2)	10.13	0.74	7.3%	10.87	NA	NA	NA
MT&T	(9.2)	9.89	0.83	8.4%	10.72	NA	NA	NA
NBTel	(7.9)	9.12	0.90	9.9%	10.02	NA	NA	NA
Bell	(269.5)	10.39	1.32	12.7%	11.71	5.29	74.6%	9.80
Manitoba Tel	(13.3)	6.21	0.77	12.4%	6.97	NA	NA	NA
SaskTel	(14.1)	6.07	0.93	15.3%	7.00	NA	NA	NA
AGT	(38.0)	8.23	1.31	16.0%	9.54	NA	NA	NA
B.C. Tel	(70.3)	10.08	1.65	16.4%	11.74	6.61	77.9%	11.97
Total or Mean	(426.9)	9.78	1.28	13.1%	11.06	5.13		11.22
Unweighted Average		9.06	1.02	11.2%	10.07	4.06		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

Nfld Tel	(3.4)	11.39	1.15	10.1%	12.54	NA	NA
Island Tel	(1.2)	10.13	1.07	10.5%	11.20	NA	NA
MT&T	(9.2)	9.89	1.14	11.5%	11.03	NA	NA
NBTel	(7.9)	9.12	1.34	14.7%	10.46	NA	NA
Bell	(269.5)	10.39	2.05	19.8%	12.45	8.21	67.6%
Manitoba Tel	(13.3)	6.21	1.18	19.0%	7.39	NA	NA
SaskTel	(14.1)	6.07	1.41	23.2%	7.48	NA	NA
AGT	(38.0)	8.23	2.01	24.5%	10.24	NA	NA
B.C. Tel	(70.3)	10.08	2.63	26.1%	12.72	10.54	72.4%
Total or Mean	(426.9)	9.78	1.99	20.3%	11.76	7.96	
Unweighted Average		9.06	1.55	17.2%	10.61	6.22	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%
Competing rates discounted by 54.30%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.7)	37.82	1.16	3.1%	38.98	NA	NA	0.60%
Island Tel	(0.6)	30.36	1.12	3.7%	31.48	NA	NA	0.89%
MT&T	(4.7)	25.60	1.10	4.3%	26.70	NA	NA	0.75%
NBTel	(3.9)	32.22	1.58	4.9%	33.81	NA	NA	0.82%
Bell	(336.9)	35.12	5.59	15.9%	40.71	10.29	82.5%	3.14%
Manitoba Tel	(6.7)	18.19	1.13	6.2%	19.32	NA	NA	0.82%
SaskTel	(7.2)	17.07	1.33	7.8%	18.40	NA	NA	0.79%
AGT	(19.2)	22.85	1.85	8.1%	24.70	NA	NA	0.96%
B.C. Tel	(78.0)	34.72	6.31	18.2%	41.04	11.63	81.8%	3.35%
Total or Mean	(459.0)	31.64	4.52	14.3%	36.16	8.32		2.52%
Unweighted Average		28.22	2.35	8.3%	30.57	4.33		1.35%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(1.7)	37.82	0.59	1.6%	38.41	NA	NA
Island Tel	(0.6)	30.36	0.54	1.8%	30.90	NA	NA
MT&T	(4.7)	25.60	0.58	2.3%	26.18	NA	NA
NBTel	(3.9)	32.22	0.67	2.1%	32.89	NA	NA
Bell	(336.9)	35.12	2.57	7.3%	37.69	4.73	87.6%
Manitoba Tel	(6.7)	18.19	0.60	3.3%	18.79	NA	NA
SaskTel	(7.2)	17.07	0.72	4.2%	17.79	NA	NA
AGT	(19.2)	22.85	1.02	4.5%	23.87	NA	NA
B.C. Tel	(78.0)	34.72	2.92	8.4%	37.65	5.38	87.2%
Total or Mean	(459.0)	31.64	2.11	6.7%	33.75	3.88	
Unweighted Average		28.22	1.13	4.0%	29.35	2.09	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 54.30%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(1.7)	11.39	0.35	3.1%	11.74	NA	NA	NA
Island Tel	(0.6)	10.13	0.37	3.7%	10.51	NA	NA	NA
MT&T	(4.7)	9.89	0.43	4.3%	10.31	NA	NA	NA
NBTel	(3.9)	9.12	0.45	4.9%	9.57	NA	NA	NA
Bell	(336.9)	10.39	1.65	15.9%	12.05	3.04	79.1%	7.25
Manitoba Tel	(6.7)	6.21	0.39	6.2%	6.59	NA	NA	NA
SaskTel	(7.2)	6.07	0.47	7.8%	6.54	NA	NA	NA
AGT	(19.2)	8.23	0.67	8.1%	8.89	NA	NA	NA
B.C. Tel	(78.0)	10.08	1.83	18.2%	11.92	3.38	81.8%	10.01
Total or Mean	(459.0)	9.78	1.40	14.3%	11.17	2.57		8.46
Unweighted Average		9.06	0.73	8.1%	9.79	1.35		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(1.7)	11.39	0.59	5.2%	11.98	NA	NA
Island Tel	(0.6)	10.13	0.54	5.3%	10.67	NA	NA
MT&T	(4.7)	9.89	0.58	5.9%	10.47	NA	NA
NBTel	(3.9)	9.12	0.67	7.3%	9.79	NA	NA
Bell	(336.9)	10.39	2.57	24.7%	12.96	4.73	75.9%
Manitoba Tel	(6.7)	6.21	0.60	9.6%	6.80	NA	NA
SaskTel	(7.2)	6.07	0.72	11.8%	6.79	NA	NA
AGT	(19.2)	8.23	1.02	12.4%	9.25	NA	NA
B.C. Tel	(78.0)	10.08	2.92	29.0%	13.01	5.38	79.5%
Total or Mean	(459.0)	9.78	2.17	22.2%	11.95	4.00	
Unweighted Average		9.06	1.13	12.5%	10.19	2.09	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0%
Competing rates discounted by 56.90%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.4)	37.82	2.26	6.0%	40.08	NA	NA	1.18%
Island Tel	(1.2)	30.36	2.21	7.3%	32.57	NA	NA	1.75%
MT&T	(9.2)	25.60	2.16	8.4%	27.76	NA	NA	1.48%
NBTel	(7.9)	32.22	3.18	9.9%	35.41	NA	NA	1.65%
Bell	(671.9)	35.12	11.14	31.7%	46.26	19.58	75.2%	6.37%
Manitoba Tel	(13.3)	18.19	2.25	12.4%	20.44	NA	NA	1.62%
SaskTel	(14.1)	17.07	2.62	15.3%	19.69	NA	NA	1.55%
AGT	(38.0)	22.85	3.65	16.0%	26.50	NA	NA	1.90%
B.C. Tel	(155.3)	34.72	12.57	36.2%	47.29	22.09	74.2%	6.79%
Total or Mean	(914.3)	31.64	9.00	28.5%	40.64	15.82		5.07%
Unweighted Average		28.22	4.67	16.6%	32.89	8.21		2.70%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

Nfld Tel	(3.4)	37.82	1.15	3.0%	38.98	NA	NA
Island Tel	(1.2)	30.36	1.07	3.5%	31.43	NA	NA
MT&T	(9.2)	25.60	1.14	4.5%	26.74	NA	NA
NBTel	(7.9)	32.22	1.34	4.2%	33.56	NA	NA
Bell	(671.9)	35.12	5.12	14.6%	40.24	9.00	83.7%
Manitoba Tel	(13.3)	18.19	1.18	6.5%	19.37	NA	NA
SaskTel	(14.1)	17.07	1.41	8.3%	18.48	NA	NA
AGT	(38.0)	22.85	2.01	8.8%	24.87	NA	NA
B.C. Tel	(155.3)	34.72	5.82	16.8%	40.54	10.23	83.0%
Total or Mean	(914.3)	31.64	4.20	13.3%	35.84	7.38	
Unweighted Average		28.22	2.25	8.0%	30.47	3.95	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: MIXED
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 56.90%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.4)	11.39	0.68	6.0%	12.07	NA	NA	NA
Island Tel	(1.2)	10.13	0.74	7.3%	10.87	NA	NA	NA
MT&T	(9.2)	9.89	0.83	8.4%	10.72	NA	NA	NA
NBTel	(7.9)	9.12	0.90	9.9%	10.02	NA	NA	NA
Bell	(671.9)	10.39	3.30	31.7%	13.69	5.79	73.5%	6.99
Manitoba Tel	(13.3)	6.21	0.77	12.4%	6.97	NA	NA	NA
SaskTel	(14.1)	6.07	0.93	15.3%	7.00	NA	NA	NA
AGT	(38.0)	8.23	1.31	16.0%	9.54	NA	NA	NA
B.C. Tel	(155.3)	10.08	3.65	36.2%	13.73	6.41	78.1%	9.54
Total or Mean	(914.3)	9.78	2.78	28.4%	12.56	4.89		8.13
Unweighted Average		9.06	1.46	16.1%	10.51	2.56		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(3.4)	11.39	1.15	10.1%	12.54	NA	NA
Island Tel	(1.2)	10.13	1.07	10.5%	11.20	NA	NA
MT&T	(9.2)	9.89	1.14	11.5%	11.03	NA	NA
NBTel	(7.9)	9.12	1.34	14.7%	10.46	NA	NA
Bell	(671.9)	10.39	5.12	49.3%	15.51	9.00	65.6%
Manitoba Tel	(13.3)	6.21	1.18	19.0%	7.39	NA	NA
SaskTel	(14.1)	6.07	1.41	23.2%	7.48	NA	NA
AGT	(38.0)	8.23	2.01	24.5%	10.24	NA	NA
B.C. Tel	(155.3)	10.08	5.82	57.7%	15.90	10.23	72.8%
Total or Mean	(914.3)	9.78	4.33	44.3%	14.10	7.60	
Unweighted Average		9.06	2.25	24.8%	11.31	3.95	

STATUS QUO RATES

Telecom Canada Members

S(T)

1. STATUS QUO RATES

Telecom Canada Members

S(T)

SEQUENCE OF TABLES

0% rate discount by Competitor
- 10% market loss by Telcos
- 20% market loss by Telcos

10% rate discount by Competitor
- 10% market loss by Telcos
- 20% market loss by Telcos

25% rate discount by Competitor
- 10% market loss by Telcos
- 20% market loss by Telcos

Maximum rate discount by Competitor
(no contribution payment)
- 10% market loss by Telcos
- 20% market loss by Telcos

For explanation of Tables, see Pages III-1 to III-7 of the Final Report

TELECOM CANADA MEMBERS

INPUTS:			
Competitive MTS/WATS Providers:	RESELLER		
Geographic Areas of Competition:	Telecom Canada Members		
Rate Structure:	STATUS QUO RATES		
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.	
Market Lost to Competition:	0.0%		
Productivity Improvement:	0.0%	Competing rates discounted by	0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA		0.00%
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA	0.00%
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA	0.00%
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA	0.00%
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA	0.00%
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA		0.00%
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA		0.00%
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA	0.00%
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA	0.00%
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA		0.00%
Unweighted Average		28.22	0.00	0.0%	28.22	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA	
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA	
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA	
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA	
Unweighted Average		28.22	0.00	0.0%	28.22	NA	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	0.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA		NA
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA		NA
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA		NA
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA		NA
Unweighted Average		9.06	0.00	0.0%	9.06	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA	
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA	
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA	
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA	
Unweighted Average		9.06	0.00	0.0%	9.06	NA	

TELECOM CANADA MEMBERS

INPUTS:			
Competitive MTS/WATS Providers:	RESELLER		
Geographic Areas of Competition:	Telecom Canada Members		
Rate Structure:	STATUS QUO RATES		
Contribution Charge:	7.00 cts/min	15.9% of Telco rate.	
Market Lost to Competition:	-10.0%		
Productivity Improvement:	0.0%	Competing rates discounted by	0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(6.4)	37.82	4.28	11.3%	42.10	NA		2.28%
Island Tel	(1.6)	30.36	2.91	9.6%	33.27	NA	NA	2.35%
MT&T	(16.2)	25.60	3.78	14.8%	29.38	NA	NA	2.64%
NBTel	(13.6)	32.22	5.48	17.0%	37.70	NA	NA	2.90%
Bell	(235.3)	35.12	3.90	11.1%	39.03	NA	NA	2.20%
Manitoba Tel	(10.4)	18.19	1.76	9.7%	19.95	NA		1.29%
SaskTel	(22.4)	17.07	4.17	24.4%	21.24	NA		2.52%
AGT	(57.2)	22.85	5.49	24.0%	28.35	NA	NA	2.93%
B.C. Tel	(61.9)	34.72	5.01	14.4%	39.74	NA	NA	2.67%
Total or Mean	(425.0)	31.64	4.12	13.0%	35.76	NA		2.35%
Unweighted Average		28.22	4.09	14.5%	32.31	NA		2.42%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(6.4)	37.82	2.18	5.8%	40.00	NA	
Island Tel	(1.6)	30.36	1.40	4.6%	31.77	NA	NA
MT&T	(16.2)	25.60	1.99	7.8%	27.59	NA	NA
NBTel	(13.6)	32.22	2.30	7.1%	34.53	NA	NA
Bell	(235.3)	35.12	1.79	5.1%	36.92	NA	NA
Manitoba Tel	(10.4)	18.19	0.92	5.1%	19.11	NA	
SaskTel	(22.4)	17.07	2.25	13.2%	19.31	NA	
AGT	(57.2)	22.85	3.03	13.3%	25.89	NA	NA
B.C. Tel	(61.9)	34.72	2.32	6.7%	37.04	NA	NA
Total or Mean	(425.0)	31.64	1.98	6.3%	33.62	NA	
Unweighted Average		28.22	2.02	7.2%	30.24	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	RESELLER	
Geographic Areas of Competition:	Telecom Canada Members	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	7.00 cts/min	15.9% of Telco rate.
Market Lost to Competition:	-10.0%	
Productivity Improvement:	0.0%	Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(6.4)	11.39	1.29	11.3%	12.68	NA		19.65
Island Tel	(1.6)	10.13	0.97	9.6%	11.10	NA	NA	15.91
MT&T	(16.2)	9.89	1.46	14.8%	11.35	NA	NA	18.80
NBTel	(13.6)	9.12	1.55	17.0%	10.67	NA	NA	16.42
Bell	(235.3)	10.39	1.15	11.1%	11.55	NA	NA	14.87
Manitoba Tel	(10.4)	6.21	0.60	9.7%	6.81	NA		11.26
SaskTel	(22.4)	6.07	1.48	24.4%	7.55	NA		16.38
AGT	(57.2)	8.23	1.98	24.0%	10.21	NA	NA	23.10
B.C. Tel	(61.9)	10.08	1.46	14.4%	11.54	NA	NA	17.56
Total or Mean	(425.0)	9.78	1.26	12.9%	11.04	NA		15.92
Unweighted Average		9.06	1.33	14.6%	10.38	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(6.4)	11.39	2.18	19.1%	13.57	NA	
Island Tel	(1.6)	10.13	1.40	13.9%	11.53	NA	NA
MT&T	(16.2)	9.89	1.99	20.2%	11.88	NA	NA
NBTel	(13.6)	9.12	2.30	25.3%	11.42	NA	NA
Bell	(235.3)	10.39	1.79	17.3%	12.18	NA	NA
Manitoba Tel	(10.4)	6.21	0.92	14.9%	7.13	NA	
SaskTel	(22.4)	6.07	2.25	37.0%	8.31	NA	
AGT	(57.2)	8.23	3.03	36.8%	11.26	NA	NA
B.C. Tel	(61.9)	10.08	2.32	23.0%	12.40	NA	NA
Total or Mean	(425.0)	9.78	1.95	20.0%	11.73	NA	
Unweighted Average		9.06	2.02	22.3%	11.08	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	RESELLER		
Geographic Areas of Competition:	Telecom Canada Members		
Rate Structure:	STATUS QUO RATES		
Contribution Charge:	7.70 cts/min	17.5% of Telco rate.	
Market Lost to Competition:	-20.0%		
Productivity Improvement:	0.0%	Competing rates discounted by	0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(11.6)	37.82	7.79	20.6%	45.62	NA		4.25%
Island Tel	(2.8)	30.36	5.22	17.2%	35.58	NA	NA	4.30%
MT&T	(29.8)	25.60	6.97	27.2%	32.57	NA	NA	4.98%
NBTel	(25.1)	32.22	10.15	31.5%	42.38	NA	NA	5.49%
Bell	(422.3)	35.12	7.00	19.9%	42.12	NA	NA	4.02%
Manitoba Tel	(17.6)	18.19	2.96	16.3%	21.16	NA		2.23%
SaskTel	(41.3)	17.07	7.70	45.1%	24.76	NA		4.75%
AGT	(106.7)	22.85	10.24	44.8%	33.10	NA	NA	5.61%
B.C. Tel	(112.5)	34.72	9.10	26.2%	43.83	NA	NA	4.96%
Total or Mean	(769.7)	31.64	7.47	23.6%	39.11	NA		4.34%
Unweighted Average		28.22	7.46	26.4%	35.68	NA		4.51%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(11.6)	37.82	3.97	10.5%	41.79	NA	
Island Tel	(2.8)	30.36	2.52	8.3%	32.88	NA	NA
MT&T	(29.8)	25.60	3.68	14.4%	29.28	NA	NA
NBTel	(25.1)	32.22	4.27	13.2%	36.49	NA	NA
Bell	(422.3)	35.12	3.22	9.2%	38.34	NA	NA
Manitoba Tel	(17.6)	18.19	1.56	8.6%	19.75	NA	
SaskTel	(41.3)	17.07	4.14	24.3%	21.21	NA	
A6T	(106.7)	22.85	5.65	24.7%	28.51	NA	NA
B.C. Tel	(112.5)	34.72	4.21	12.1%	38.94	NA	NA
Total or Mean	(769.7)	31.64	3.59	11.3%	35.22	NA	
Unweighted Average		28.22	3.69	13.1%	31.91	NA	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	7.70 cts/min	17.5% of Telco rate.
	Market Lost to Competition:	-20.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(11.6)	11.39	2.35	20.6%	13.74	NA		19.22
Island Tel	(2.8)	10.13	1.74	17.2%	11.87	NA	NA	15.70
MT&T	(29.8)	9.89	2.69	27.2%	12.58	NA	NA	18.58
NBTel	(25.1)	9.12	2.87	31.5%	11.99	NA	NA	16.43
Bell	(422.3)	10.39	2.07	19.9%	12.46	NA	NA	14.76
Manitoba Tel	(17.6)	6.21	1.01	16.3%	7.22	NA		11.29
SaskTel	(41.3)	6.07	2.74	45.1%	8.81	NA		16.35
AGT	(106.7)	8.23	3.69	44.8%	11.92	NA	NA	22.71
B.C. Tel	(112.5)	10.08	2.64	26.2%	12.73	NA	NA	17.29
Total or Mean	(769.7)	9.78	2.29	23.4%	12.06	NA		15.78
Unweighted Average		9.06	2.42	26.7%	11.48	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(11.6)	11.39	3.97	34.9%	15.36	NA	
Island Tel	(2.8)	10.13	2.52	24.9%	12.65	NA	NA
MT&T	(29.8)	9.89	3.68	37.2%	13.57	NA	NA
NBTel	(25.1)	9.12	4.27	46.8%	13.39	NA	NA
Bell	(422.3)	10.39	3.22	31.0%	13.61	NA	NA
Manitoba Tel	(17.6)	6.21	1.56	25.1%	7.76	NA	
SaskTel	(41.3)	6.07	4.14	68.3%	10.21	NA	
AGT	(106.7)	8.23	5.65	68.7%	13.88	NA	NA
B.C. Tel	(112.5)	10.08	4.21	41.8%	14.30	NA	NA
Total or Mean	(769.7)	9.78	3.54	36.2%	13.31	NA	
Unweighted Average		9.06	3.69	40.8%	12.75	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 4.95 cts/min 11.2% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%
Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(7.6)	37.82	5.10	13.5%	42.93	51.05		2.72%
Island Tel	(1.9)	30.36	3.53	11.6%	33.89	35.28	50.7%	2.85%
MT&T	(19.0)	25.60	4.44	17.3%	30.04	44.41	48.1%	3.10%
NBTel	(15.7)	32.22	6.36	19.7%	38.58	63.60	41.8%	3.37%
Bell	(285.7)	35.12	4.74	13.5%	39.86	47.38	59.4%	2.67%
Manitoba Tel	(14.1)	18.19	2.38	13.1%	20.57	23.79		1.75%
SaskTel	(26.4)	17.07	4.91	28.8%	21.98	49.14		2.97%
AGT	(65.9)	22.85	6.33	27.7%	29.18	63.25	42.2%	3.37%
B.C. Tel	(74.2)	34.72	6.01	17.3%	40.73	60.06	55.3%	3.20%
Total or Mean	(510.5)	31.64	4.96	15.7%	36.60	49.57		2.82%
Unweighted Average		28.22	4.87	17.2%	33.09	48.66		2.89%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(7.6)	37.82	2.60	6.9%	40.42	26.02	
Island Tel	(1.9)	30.36	1.70	5.6%	32.07	17.04	61.5%
MT&T	(19.0)	25.60	2.34	9.2%	27.94	23.44	58.0%
NBTel	(15.7)	32.22	2.67	8.3%	34.90	26.74	61.7%
Bell	(285.7)	35.12	2.18	6.2%	37.30	21.77	73.7%
Manitoba Tel	(14.1)	18.19	1.25	6.9%	19.44	12.50	
SaskTel	(26.4)	17.07	2.65	15.5%	19.71	26.45	
AGT	(65.9)	22.85	3.49	15.3%	26.35	34.91	56.9%
B.C. Tel	(74.2)	34.72	2.78	8.0%	37.50	27.80	70.5%
Total or Mean	(510.5)	31.64	2.38	7.5%	34.01	23.77	
Unweighted Average		28.22	2.41	8.5%	30.63	24.07	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 4.95 cts/min 11.2% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(7.6)	11.39	1.54	13.5%	12.93	15.37		19.05
Island Tel	(1.9)	10.13	1.18	11.6%	11.31	11.77	64.3%	15.05
MT&T	(19.0)	9.89	1.72	17.3%	11.60	17.15	56.6%	17.90
NBTel	(15.7)	9.12	1.80	19.7%	10.92	18.00	47.3%	15.16
Bell	(285.7)	10.39	1.40	13.5%	11.79	14.02	53.4%	13.87
Manitoba Tel	(14.1)	6.21	0.81	13.1%	7.02	8.12		10.34
SaskTel	(26.4)	6.07	1.75	28.8%	7.82	17.47		15.27
AGT	(65.9)	8.23	2.28	27.7%	10.51	22.77	56.7%	22.26
B.C. Tel	(74.2)	10.08	1.74	17.3%	11.83	17.44	62.5%	16.77
Total or Mean	(510.5)	9.78	1.52	15.5%	11.30	15.20		14.96
Unweighted Average		9.06	1.58	17.4%	10.64	15.79		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(7.6)	11.39	2.60	22.8%	13.99	26.02	
Island Tel	(1.9)	10.13	1.70	16.8%	11.84	17.04	56.9%
MT&T	(19.0)	9.89	2.34	23.7%	12.23	23.44	46.8%
NBTel	(15.7)	9.12	2.67	29.3%	11.79	26.74	34.3%
Bell	(285.7)	10.39	2.18	20.9%	12.57	21.77	38.4%
Manitoba Tel	(14.1)	6.21	1.25	20.1%	7.46	12.50	
SaskTel	(26.4)	6.07	2.65	43.6%	8.71	26.45	
AGT	(65.9)	8.23	3.49	42.4%	11.72	34.91	46.2%
B.C. Tel	(74.2)	10.08	2.78	27.6%	12.86	27.80	49.5%
Total or Mean	(510.5)	9.78	2.35	24.0%	12.13	23.51	
Unweighted Average		9.06	2.41	26.6%	11.46	24.07	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 5.65 cts/min 12.8% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0%
Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(14.0)	37.82	9.40	24.8%	47.22	93.98		5.13%
Island Tel	(3.5)	30.36	6.43	21.2%	36.79	64.25	40.2%	5.30%
MT&T	(35.3)	25.60	8.25	32.2%	33.85	82.53	37.2%	5.90%
NBTel	(29.4)	32.22	11.87	36.8%	44.09	118.67	28.2%	6.41%
Bell	(520.6)	35.12	8.63	24.6%	43.76	86.32	45.9%	4.95%
Manitoba Tel	(24.8)	18.19	4.17	22.9%	22.37	41.74		3.15%
SaskTel	(49.1)	17.07	9.14	53.5%	26.21	91.38		5.64%
AGT	(123.5)	22.85	11.86	51.9%	34.71	118.57	27.5%	6.50%
B.C. Tel	(136.3)	34.72	11.03	31.8%	45.76	110.33	41.4%	6.01%
Total or Mean	(936.3)	31.64	9.09	28.7%	40.73	90.90		5.28%
Unweighted Average		28.22	8.98	31.8%	37.19	89.75		5.44%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(14.0)	37.82	4.79	12.7%	42.61	47.90	
Island Tel	(3.5)	30.36	3.10	10.2%	33.47	31.04	52.8%
MT&T	(35.3)	25.60	4.36	17.0%	29.96	43.55	48.4%
NBTel	(29.4)	32.22	4.99	15.5%	37.21	49.89	47.5%
Bell	(520.6)	35.12	3.97	11.3%	39.09	39.66	63.1%
Manitoba Tel	(24.8)	18.19	2.19	12.1%	20.38	21.93	
SaskTel	(49.1)	17.07	4.92	28.8%	21.99	49.19	
AGT	(123.5)	22.85	6.54	28.6%	29.40	65.44	41.4%
B.C. Tel	(136.3)	34.72	5.11	14.7%	39.83	51.07	58.9%
Total or Mean	(936.3)	31.64	4.36	13.8%	36.00	43.60	
Unweighted Average		28.22	4.44	15.7%	32.66	44.41	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	5.65 cts/min	12.8% of Telco rate.
	Market Lost to Competition:	-20.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(14.0)	11.39	2.83	24.8%	14.22	28.30		18.63
Island Tel	(3.5)	10.13	2.14	21.2%	12.28	21.44	51.6%	14.85
MT&T	(35.3)	9.89	3.19	32.2%	13.08	31.88	36.6%	17.68
NBTel	(29.4)	9.12	3.36	36.8%	12.48	33.58	27.5%	15.18
Bell	(520.6)	10.39	2.55	24.6%	12.95	25.54	32.9%	13.78
Manitoba Tel	(24.8)	6.21	1.42	22.9%	7.63	14.24		10.37
SaskTel	(49.1)	6.07	3.25	53.5%	9.32	32.49		15.25
AGT	(123.5)	8.23	4.27	51.9%	12.50	42.69	41.1%	21.87
B.C. Tel	(136.3)	10.08	3.20	31.8%	13.29	32.04	45.1%	16.50
Total or Mean	(936.3)	9.78	2.79	28.5%	12.56	27.87		14.83
Unweighted Average		9.06	2.91	32.2%	11.97	29.13		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(14.0)	11.39	4.79	42.1%	16.18	47.90	
Island Tel	(3.5)	10.13	3.10	30.6%	13.24	31.04	42.5%
MT&T	(35.3)	9.89	4.36	44.0%	14.24	43.55	26.8%
NBTel	(29.4)	9.12	4.99	54.7%	14.11	49.89	17.6%
Bell	(520.6)	10.39	3.97	38.2%	14.36	39.66	19.7%
Manitoba Tel	(24.8)	6.21	2.19	35.3%	8.40	21.93	
SaskTel	(49.1)	6.07	4.92	81.1%	10.99	49.19	
AGT	(123.5)	8.23	6.54	79.5%	14.77	65.44	30.5%
B.C. Tel	(136.3)	10.08	5.11	50.7%	15.19	51.07	30.7%
Total or Mean	(936.3)	9.78	4.31	44.1%	14.08	43.09	
Unweighted Average		9.06	4.44	49.0%	13.50	44.41	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 1.95 cts/min 4.4% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(9.7)	37.82	6.54	17.3%	44.36	26.15		3.48%
Island Tel	(2.5)	30.36	4.61	15.2%	34.97	18.43	60.5%	3.72%
MT&T	(23.9)	25.60	5.59	21.8%	31.19	22.36	58.6%	3.91%
NBTel	(19.5)	32.22	7.89	24.5%	40.12	31.57	58.1%	4.18%
Bell	(373.2)	35.12	6.19	17.6%	41.31	24.75	71.7%	3.49%
Manitoba Tel	(20.5)	18.19	3.46	19.0%	21.65	13.84		2.55%
SaskTel	(33.3)	17.07	6.20	36.3%	23.27	24.82		3.75%
AGT	(80.9)	22.85	7.77	34.0%	30.62	31.07	59.6%	4.14%
B.C. Tel	(95.5)	34.72	7.73	22.3%	42.46	30.93	68.7%	4.12%
Total or Mean	(659.1)	31.64	6.40	20.2%	38.04	25.61		3.64%
Unweighted Average		28.22	6.22	22.0%	34.44	24.88		3.70%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(9.7)	37.82	3.33	8.8%	41.15	13.33	
Island Tel	(2.5)	30.36	2.23	7.3%	32.59	8.91	68.5%
MT&T	(23.9)	25.60	2.95	11.5%	28.55	11.80	66.0%
NBTel	(19.5)	32.22	3.32	10.3%	35.54	13.27	74.7%
Bell	(373.2)	35.12	2.84	8.1%	37.97	11.37	81.6%
Manitoba Tel	(20.5)	18.19	1.82	10.0%	20.01	7.27	
SaskTel	(33.3)	17.07	3.34	19.6%	20.41	13.36	
AGT	(80.9)	22.85	4.29	18.8%	27.14	17.15	71.5%
B.C. Tel	(95.5)	34.72	3.58	10.3%	38.30	14.32	79.7%
Total or Mean	(659.1)	31.64	3.07	9.7%	34.70	12.27	
Unweighted Average		28.22	3.08	10.9%	31.30	12.31	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 1.95 cts/min 4.4% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(9.7)	11.39	1.97	17.3%	13.36	7.88		17.99
Island Tel	(2.5)	10.13	1.54	15.2%	11.67	6.15	73.6%	13.67
MT&T	(23.9)	9.89	2.16	21.8%	12.05	8.64	72.2%	16.43
NBTel	(19.5)	9.12	2.23	24.5%	11.35	8.93	67.9%	13.20
Bell	(373.2)	10.39	1.83	17.6%	12.22	7.32	69.8%	12.30
Manitoba Tel	(20.5)	6.21	1.18	19.0%	7.39	4.72		8.91
SaskTel	(33.3)	6.07	2.21	36.3%	8.27	8.82		13.52
AGT	(80.9)	8.23	2.80	34.0%	11.03	11.19	70.3%	20.83
B.C. Tel	(95.5)	10.08	2.25	22.3%	12.33	8.98	74.6%	15.46
Total or Mean	(659.1)	9.78	1.96	20.1%	11.74	7.86		13.43
Unweighted Average		9.06	2.02	22.3%	11.07	8.07		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(9.7)	11.39	3.33	29.3%	14.72	13.33	
Island Tel	(2.5)	10.13	2.23	22.0%	12.36	8.91	68.9%
MT&T	(23.9)	9.89	2.95	29.8%	12.84	11.80	66.3%
NBTel	(19.5)	9.12	3.32	36.4%	12.44	13.27	57.1%
Bell	(373.2)	10.39	2.84	27.4%	13.23	11.37	59.7%
Manitoba Tel	(20.5)	6.21	1.82	29.3%	8.02	7.27	
SaskTel	(33.3)	6.07	3.34	55.0%	9.41	13.36	
AGT	(80.9)	8.23	4.29	52.1%	12.52	17.15	62.8%
B.C. Tel	(95.5)	10.08	3.58	35.5%	13.66	14.32	66.9%
Total or Mean	(659.1)	9.78	3.04	31.1%	12.81	12.15	
Unweighted Average		9.06	3.08	34.0%	12.13	12.31	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 2.60 cts/min 5.9% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(18.2)	37.82	12.23	32.3%	50.05	48.93		6.68%
Island Tel	(4.6)	30.36	8.56	28.2%	38.92	34.25	51.2%	7.06%
MT&T	(45.0)	25.60	10.52	41.1%	36.12	42.09	49.0%	7.52%
NBTel	(36.9)	32.22	14.89	46.2%	47.12	59.58	43.3%	8.05%
Bell	(694.4)	35.12	11.51	32.8%	46.64	46.06	60.0%	6.60%
Manitoba Tel	(37.5)	18.19	6.31	34.7%	24.50	25.25		4.76%
SaskTel	(62.8)	17.07	11.69	68.5%	28.76	46.75		7.22%
AGT	(153.2)	22.85	14.71	64.4%	37.56	58.84	44.0%	8.06%
B.C. Tel	(178.5)	34.72	14.44	41.6%	49.17	57.78	56.2%	7.87%
Total or Mean	(1,231.0)	31.64	11.96	37.8%	43.59	47.83		6.94%
Unweighted Average		28.22	11.65	41.3%	39.87	46.61		7.09%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(18.2)	37.82	6.24	16.5%	44.06	24.94	
Island Tel	(4.6)	30.36	4.14	13.6%	34.50	16.55	61.9%
MT&T	(45.0)	25.60	5.55	21.7%	31.15	22.22	58.7%
NBTel	(36.9)	32.22	6.26	19.4%	38.49	25.05	63.1%
Bell	(694.4)	35.12	5.29	15.1%	40.41	21.16	74.1%
Manitoba Tel	(37.5)	18.19	3.32	18.2%	21.51	13.26	
SaskTel	(62.8)	17.07	6.29	36.9%	23.36	25.17	
AGT	(153.2)	22.85	8.12	35.5%	30.97	32.47	58.6%
B.C. Tel	(178.5)	34.72	6.69	19.3%	41.41	26.75	71.2%
Total or Mean	(1,231.0)	31.64	5.73	18.1%	37.37	22.91	
Unweighted Average		28.22	5.77	20.4%	33.98	23.06	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 2.60 cts/min 5.9% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(18.2)	11.39	3.68	32.3%	15.07	14.73		17.60
Island Tel	(4.6)	10.13	2.86	28.2%	12.99	11.43	64.8%	13.49
MT&T	(45.0)	9.89	4.06	41.1%	13.95	16.26	58.2%	16.23
NBTel	(36.9)	9.12	4.22	46.2%	13.34	16.86	49.5%	13.22
Bell	(694.4)	10.39	3.41	32.8%	13.80	13.63	54.3%	12.23
Manitoba Tel	(37.5)	6.21	2.15	34.7%	8.36	8.61		8.95
SaskTel	(62.8)	6.07	4.16	68.5%	10.22	16.62		13.50
AGT	(153.2)	8.23	5.30	64.4%	13.52	21.18	58.3%	20.48
B.C. Tel	(178.5)	10.08	4.19	41.6%	14.28	16.78	63.4%	15.22
Total or Mean	(1,231.0)	9.78	3.67	37.5%	13.44	14.67		13.32
Unweighted Average		9.06	3.78	41.7%	12.84	15.12		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(18.2)	11.39	6.24	54.7%	17.62	24.94	
Island Tel	(4.6)	10.13	4.14	40.8%	14.27	16.55	57.5%
MT&T	(45.0)	9.89	5.55	56.2%	15.44	22.22	48.6%
NBTel	(36.9)	9.12	6.26	68.7%	15.38	25.05	36.4%
Bell	(694.4)	10.39	5.29	50.9%	15.68	21.16	39.4%
Manitoba Tel	(37.5)	6.21	3.32	53.4%	9.52	13.26	
SaskTel	(62.8)	6.07	6.29	103.7%	12.36	25.17	
AGT	(153.2)	8.23	8.12	98.7%	16.35	32.47	48.1%
B.C. Tel	(178.5)	10.08	6.69	66.3%	16.77	26.75	50.7%
Total or Mean	(1,231.0)	9.78	5.67	58.0%	15.45	22.69	
Unweighted Average		9.06	5.77	63.7%	14.82	23.06	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 35.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(11.4)	37.82	7.68	20.3%	45.50	21.95		4.09%
Island Tel	(2.9)	30.36	5.47	18.0%	35.83	15.63	62.6%	4.42%
MT&T	(27.8)	25.60	6.50	25.4%	32.10	18.59	61.0%	4.55%
NBTel	(22.6)	32.22	9.11	28.3%	41.34	26.04	62.2%	4.83%
Bell	(442.9)	35.12	7.34	20.9%	42.47	20.98	74.2%	4.14%
Manitoba Tel	(25.6)	18.19	4.32	23.8%	22.51	12.35		3.18%
SaskTel	(38.8)	17.07	7.23	42.4%	24.30	20.66		4.37%
AGT	(92.9)	22.85	8.92	39.0%	31.77	25.48	63.9%	4.76%
B.C. Tel	(112.5)	34.72	9.11	26.2%	43.83	26.02	71.6%	4.86%
Total or Mean	(777.5)	31.64	7.56	23.9%	39.19	21.59		4.30%
Unweighted Average		28.22	7.30	25.9%	35.52	20.86		4.35%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(11.4)	37.82	3.92	10.4%	41.74	11.19	
Island Tel	(2.9)	30.36	2.64	8.7%	33.00	7.55	69.9%
MT&T	(27.8)	25.60	3.43	13.4%	29.03	9.81	67.7%
NBTel	(22.6)	32.22	3.83	11.9%	36.06	10.95	77.5%
Bell	(442.9)	35.12	3.37	9.6%	38.50	9.64	83.1%
Manitoba Tel	(25.6)	18.19	2.27	12.5%	20.46	6.49	
SaskTel	(38.8)	17.07	3.89	22.8%	20.96	11.12	
AGT	(92.9)	22.85	4.92	21.5%	27.78	14.06	74.6%
B.C. Tel	(112.5)	34.72	4.22	12.1%	38.94	12.05	81.5%
Total or Mean	(777.5)	31.64	3.62	11.4%	35.25	10.33	
Unweighted Average		28.22	3.61	12.8%	31.83	10.32	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 35.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(11.4)	11.39	2.31	20.3%	13.70	6.61		17.17
Island Tel	(2.9)	10.13	1.83	18.0%	11.96	5.21	75.2%	12.68
MT&T	(27.8)	9.89	2.51	25.4%	12.40	7.18	74.8%	15.35
NBTel	(22.6)	9.12	2.58	28.3%	11.70	7.37	72.2%	11.84
Bell	(442.9)	10.39	2.17	20.9%	12.56	6.21	72.5%	11.20
Manitoba Tel	(25.6)	6.21	1.47	23.8%	7.68	4.21		7.92
SaskTel	(38.8)	6.07	2.57	42.4%	8.64	7.35		12.29
AGT	(92.9)	8.23	3.21	39.0%	11.44	9.17	73.1%	19.75
B.C. Tel	(112.5)	10.08	2.64	26.2%	12.73	7.56	76.6%	14.50
Total or Mean	(777.5)	9.78	2.32	23.7%	12.09	6.62		12.34
Unweighted Average		9.06	2.37	26.1%	11.42	6.76		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

Nfld Tel	(11.4)	11.39	3.92	34.4%	15.30	11.19	
Island Tel	(2.9)	10.13	2.64	26.1%	12.77	7.55	71.2%
MT&T	(27.8)	9.89	3.43	34.7%	13.32	9.81	70.0%
NBTel	(22.6)	9.12	3.83	42.0%	12.95	10.95	62.7%
Bell	(442.9)	10.39	3.37	32.5%	13.77	9.64	64.0%
Manitoba Tel	(25.6)	6.21	2.27	36.6%	8.48	6.49	
SaskTel	(38.8)	6.07	3.89	64.2%	9.96	11.12	
AGT	(92.9)	8.23	4.92	59.8%	13.15	14.06	66.6%
B.C. Tel	(112.5)	10.08	4.22	41.8%	14.30	12.05	70.2%
Total or Mean	(777.5)	9.78	3.59	36.7%	13.36	10.24	
Unweighted Average		9.06	3.61	39.9%	12.67	10.32	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 37.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(22.8)	37.82	15.28	40.4%	53.10	40.74		8.34%
Island Tel	(5.8)	30.36	10.86	35.8%	41.22	28.96	53.9%	8.95%
MT&T	(55.4)	25.60	12.96	50.6%	38.56	34.57	52.2%	9.27%
NBTel	(44.9)	32.22	18.15	56.3%	50.37	48.40	48.2%	9.81%
Bell	(881.3)	35.12	14.61	41.6%	49.74	38.97	63.4%	8.38%
Manitoba Tel	(51.1)	18.19	8.61	47.3%	26.80	22.96		6.49%
SaskTel	(77.5)	17.07	14.43	84.5%	31.50	38.48		8.91%
AGT	(185.1)	22.85	17.78	77.8%	40.63	47.41	49.4%	9.74%
B.C. Tel	(223.8)	34.72	18.11	52.2%	52.84	48.30	60.0%	9.87%
Total or Mean	(1,547.8)	31.64	15.04	47.5%	46.68	40.10		8.73%
Unweighted Average		28.22	14.53	51.5%	42.75	38.75		8.86%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(22.8)	37.82	7.79	20.6%	45.61	20.77	
Island Tel	(5.8)	30.36	5.25	17.3%	35.61	13.99	63.9%
MT&T	(55.4)	25.60	6.84	26.7%	32.44	18.25	61.2%
NBTel	(44.9)	32.22	7.63	23.7%	39.85	20.35	67.2%
Bell	(881.3)	35.12	6.71	19.1%	41.84	17.90	76.4%
Manitoba Tel	(51.1)	18.19	4.52	24.9%	22.71	12.06	
SaskTel	(77.5)	17.07	7.77	45.5%	24.84	20.72	
AGT	(185.1)	22.85	9.81	42.9%	32.67	26.16	63.4%
B.C. Tel	(223.8)	34.72	8.39	24.1%	43.11	22.36	74.0%
Total or Mean	(1,547.8)	31.64	7.20	22.8%	38.84	19.20	
Unweighted Average		28.22	7.19	25.5%	35.41	19.17	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 37.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(22.8)	11.39	4.60	40.4%	15.99	12.27		16.64
Island Tel	(5.8)	10.13	3.62	35.8%	13.75	9.66	67.6%	12.27
MT&T	(55.4)	9.89	5.01	50.6%	14.90	13.35	63.4%	14.92
NBTel	(44.9)	9.12	5.14	56.3%	14.26	13.70	56.1%	11.49
Bell	(881.3)	10.39	4.32	41.6%	14.72	11.53	59.3%	10.86
Manitoba Tel	(51.1)	6.21	2.94	47.3%	9.14	7.83		7.69
SaskTel	(77.5)	6.07	5.13	84.5%	11.20	13.68		11.96
AGT	(185.1)	8.23	6.40	77.8%	14.63	17.07	62.9%	19.19
B.C. Tel	(223.8)	10.08	5.26	52.2%	15.34	14.03	67.3%	14.06
Total or Mean	(1,547.8)	9.78	4.61	47.2%	14.39	12.30		11.97
Unweighted Average		9.06	4.71	52.0%	13.77	12.57		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(22.8)	11.39	7.79	68.4%	19.18	20.77	
Island Tel	(5.8)	10.13	5.25	51.8%	15.38	13.99	61.0%
MT&T	(55.4)	9.89	6.84	69.2%	16.73	18.25	54.8%
NBTel	(44.9)	9.12	7.63	83.7%	16.75	20.35	43.2%
Bell	(881.3)	10.39	6.71	64.6%	17.11	17.90	45.2%
Manitoba Tel	(51.1)	6.21	4.52	72.9%	10.73	12.06	
SaskTel	(77.5)	6.07	7.77	128.0%	13.84	20.72	
AGT	(185.1)	8.23	9.81	119.2%	18.04	26.16	53.4%
B.C. Tel	(223.8)	10.08	8.39	83.2%	18.47	22.36	56.0%
Total or Mean	(1,547.8)	9.78	7.14	73.0%	16.91	19.03	
Unweighted Average		9.06	7.19	79.4%	16.25	19.17	

STATUS QUO RATES

All Canada

S(A)

1. STATUS QUO RATES

All Canada

S(A)

SEQUENCE OF TABLES

0% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

10% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

25% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

Maximum rate discount by Competitor
(no contribution payment)
    10% market loss by Telcos
    20% market loss by Telcos

For explanation of Tables, see Pages III-1 to III-7 of the Final Report

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA		0.00%
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA	0.00%
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA	0.00%
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA	0.00%
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA	0.00%
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA		0.00%
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA		0.00%
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA	0.00%
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA	0.00%
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA		0.00%
Unweighted Average		28.22	0.00	0.0%	28.22	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes BUSINESS SUBSCRIBERS

Nfld Tel	(0.0)	37.82	0.00	0.0%	37.82	NA	
Island Tel	(0.0)	30.36	0.00	0.0%	30.36	NA	NA
MT&T	(0.0)	25.60	0.00	0.0%	25.60	NA	NA
NBTel	0.0	32.22	0.00	0.0%	32.22	NA	NA
Bell	(0.0)	35.12	0.00	0.0%	35.12	NA	NA
Manitoba Tel	(0.0)	18.19	0.00	0.0%	18.19	NA	
SaskTel	0.0	17.07	0.00	0.0%	17.07	NA	
AGT	0.0	22.85	0.00	0.0%	22.85	NA	NA
B.C. Tel	(0.0)	34.72	0.00	0.0%	34.72	NA	NA
Total or Mean	(0.0)	31.64	0.00	0.0%	31.64	NA	
Unweighted Average		28.22	0.00	0.0%	28.22	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	RESELLER		
Geographic Areas of Competition:	All Canada		
Rate Structure:	STATUS QUO RATES		
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.	
Market Lost to Competition:	0.0%		
		Competing rates discounted by	0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA		NA
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA		NA
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA		NA
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA		NA
Unweighted Average		9.06	0.00	0.0%	9.06	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(0.0)	11.39	0.00	0.0%	11.39	NA	
Island Tel	(0.0)	10.13	0.00	0.0%	10.13	NA	NA
MT&T	(0.0)	9.89	0.00	0.0%	9.89	NA	NA
NBTel	0.0	9.12	0.00	0.0%	9.12	NA	NA
Bell	(0.0)	10.39	0.00	0.0%	10.39	NA	NA
Manitoba Tel	(0.0)	6.21	0.00	0.0%	6.21	NA	
SaskTel	0.0	6.07	0.00	0.0%	6.07	NA	
AGT	0.0	8.23	0.00	0.0%	8.23	NA	NA
B.C. Tel	(0.0)	10.08	0.00	0.0%	10.08	NA	NA
Total or Mean	(0.0)	9.78	0.00	0.0%	9.78	NA	
Unweighted Average		9.06	0.00	0.0%	9.06	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(0.0)	20.30	0.00	0.0%	20.30	NA	NA	0.00%
Quebec-Tel	0.0	20.34	0.00	0.0%	20.34	NA		0.00%
Telebec	(0.0)	32.05	0.00	0.0%	32.05	NA		0.00%
Northern Tel	0.0	23.75	0.00	0.0%	23.75	NA		0.00%
Thunder Bay	(0.0)	10.93	0.00	0.0%	10.93	NA		0.00%
'edmonton tel'	0.0	19.24	0.00	0.0%	19.24	NA		0.00%
Prince Rupert	(0.0)	19.70	0.00	0.0%	19.70	NA		0.00%
NorthwesTel	(0.0)	12.92	0.00	0.0%	12.92	NA		0.00%
Total or Mean	0.0	19.54	0.00	0.0%	19.54	NA		0.00%
Unweighted Average		19.90	0.00	0.0%	19.90	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(0.0)	20.30	0.00	0.0%	20.30	NA	NA
Quebec-Tel	0.0	20.34	0.00	0.0%	20.34	NA	
Telebec	(0.0)	32.05	0.00	0.0%	32.05	NA	
Northern Tel	0.0	23.75	0.00	0.0%	23.75	NA	
Thunder Bay	(0.0)	10.93	0.00	0.0%	10.93	NA	
'edmonton tel'	0.0	19.24	0.00	0.0%	19.24	NA	
Prince Rupert	(0.0)	19.70	0.00	0.0%	19.70	NA	
NorthwesTel	(0.0)	12.92	0.00	0.0%	12.92	NA	
Total or Mean	0.0	19.54	0.00	0.0%	19.54	NA	
Unweighted Average		19.90	0.00	0.0%	19.90	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(0.0)	8.14	0.00	0.0%	8.14	NA	NA	NA
Quebec-Tel	0.0	7.64	0.00	0.0%	7.64	NA		NA
Telebec	(0.0)	11.13	0.00	0.0%	11.13	NA		NA
Northern Tel	0.0	8.97	0.00	0.0%	8.97	NA		NA
Thunder Bay	(0.0)	4.63	0.00	0.0%	4.63	NA		NA
'edmonton tel'	0.0	6.94	0.00	0.0%	6.94	NA		NA
Prince Rupert	(0.0)	8.52	0.00	0.0%	8.52	NA		NA
NorthwesTel	(0.0)	6.46	0.00	0.0%	6.46	NA		NA
Total or Mean	0.0	7.97	0.00	0.0%	7.97	NA		NA
Unweighted Average		7.80	0.00	0.0%	7.80	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(0.0)	8.14	0.00	0.0%	8.14	NA	NA
Quebec-Tel	0.0	7.64	0.00	0.0%	7.64	NA	
Telebec	(0.0)	11.13	0.00	0.0%	11.13	NA	
Northern Tel	0.0	8.97	0.00	0.0%	8.97	NA	
Thunder Bay	(0.0)	4.63	0.00	0.0%	4.63	NA	
'edmonton tel'	0.0	6.94	0.00	0.0%	6.94	NA	
Prince Rupert	(0.0)	8.52	0.00	0.0%	8.52	NA	
NorthwesTel	(0.0)	6.46	0.00	0.0%	6.46	NA	
Total or Mean	0.0	7.97	0.00	0.0%	7.97	NA	
Unweighted Average		7.80	0.00	0.0%	7.80	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	RESELLER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	7.25 cts/min	16.2% of Telco rate.
Market Lost to Competition:	-10.0%	
		Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(6.5)	37.82	4.37	11.5%	42.19	NA		2.33%
Island Tel	(1.6)	30.36	2.94	9.7%	33.30	NA	NA	2.37%
MT&T	(16.4)	25.60	3.83	15.0%	29.43	NA	NA	2.68%
NBTel	(13.6)	32.22	5.48	17.0%	37.71	NA	NA	2.90%
Bell	(235.6)	35.12	3.91	11.1%	39.03	NA	NA	2.20%
Manitoba Tel	(10.5)	18.19	1.76	9.7%	19.95	NA		1.30%
SaskTel	(22.5)	17.07	4.20	24.6%	21.26	NA		2.53%
AGT	(57.7)	22.85	5.54	24.2%	28.39	NA	NA	2.95%
B C. Tel	(62.3)	34.72	5.04	14.5%	39.76	NA	NA	2.69%
Total or Mean	(426.6)	31.64	4.14	13.1%	35.78	NA		2.36%
Unweighted Average		28.22	4.12	14.6%	32.34	NA		2.44%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(6.5)	37.82	2.23	5.9%	40.05	NA	
Island Tel	(1.6)	30.36	1.42	4.7%	31.78	NA	NA
MT&T	(16.4)	25.60	2.02	7.9%	27.62	NA	NA
NBTel	(13.6)	32.22	2.30	7.2%	34.53	NA	NA
Bell	(235.6)	35.12	1.79	5.1%	36.92	NA	NA
Manitoba Tel	(10.5)	18.19	0.93	5.1%	19.12	NA	
SaskTel	(22.5)	17.07	2.26	13.2%	19.33	NA	
AGT	(57.7)	22.85	3.06	13.4%	25.91	NA	NA
B.C. Tel	(62.3)	34.72	2.33	6.7%	37.06	NA	NA
Total or Mean	(426 6)	31.64	1.99	6.3%	33.62	NA	
Unweighted Average		28.22	2.04	7.2%	30.26	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.25 cts/min 16.2% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(6.5)	11.39	1.31	11.5%	12.70	NA		18.65
Island Tel	(1.6)	10.13	0.98	9.7%	11.11	NA	NA	16.27
MT&T	(16.4)	9.89	1.48	15.0%	11.37	NA	NA	19.21
NBTel	(13.6)	9.12	1.55	17.0%	10.67	NA	NA	16.67
Bell	(235.6)	10.39	1.16	11.1%	11.55	NA	NA	14.84
Manitoba Tel	(10.5)	6.21	0.60	9.7%	6.81	NA		11.52
SaskTel	(22.5)	6.07	1.49	24.6%	7.56	NA		16.69
AGT	(57.7)	8.23	1.99	24.2%	10.22	NA	NA	21.55
B.C. Tel	(62.3)	10.08	1.46	14.5%	11.55	NA	NA	17.75
Total or Mean	(426.6)	9.78	1.27	13.0%	11.04	NA		15.35
Unweighted Average		9.06	1.34	14.8%	10.39	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(6.5)	11.39	2.23	19.5%	13.61	NA	
Island Tel	(1.6)	10.13	1.42	14.0%	11.55	NA	NA
MT&T	(16.4)	9.89	2.02	20.4%	11.91	NA	NA
NBTel	(13.6)	9.12	2.30	25.3%	11.42	NA	NA
Bell	(235.6)	10.39	1.79	17.3%	12.19	NA	NA
Manitoba Tel	(10.5)	6.21	0.93	14.9%	7.13	NA	
SaskTel	(22.5)	6.07	2.26	37.2%	8.33	NA	
AGT	(57.7)	8.23	3.06	37.1%	11.28	NA	NA
B.C. Tel	(62.3)	10.08	2.33	23.1%	12.42	NA	NA
Total or Mean	(426.6)	9.78	1.96	20.1%	11.74	NA	
Unweighted Average		9.06	2.04	22.5%	11.09	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.25 cts/min 16.2% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	--------- BUSINESS --------- MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(2.1)	20.30	2.83	13.9%	23.13	NA	NA	2.51%
Quebec-Tel	(8.9)	20.34	4.30	21.2%	24.64	NA		2.93%
Telebec	(4.0)	32.05	2.29	7.1%	34.34	NA		1.97%
Northern Tel	(1.2)	23.75	1.70	7.1%	25.45	NA		2.41%
Thunder Bay	(0.0)	10.93	0.01	0.1%	10.93	NA		0.02%
'edmonton tel'	2.8	19.24	-0.47	-2.5%	18.76	NA		-0.78%
Prince Rupert	0.0	19.70	-0.28	-1.4%	19.42	NA		-0.89%
NorthwesTel	(3.5)	12.92	3.37	26.1%	16.29	NA		2.81%
Total or Mean	(16.7)	19.54	0.76	3.9%	20.30	NA		1.74%
Unweighted Average		19.90	1.72	8.6%	21.62	NA		1.37%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(2.1)	20.30	1.35	6.6%	21.65	NA	NA
Quebec-Tel	(8.9)	20.34	2.13	10.5%	22.47	NA	
Telebec	(4.0)	32.05	1.04	3.2%	33.09	NA	
Northern Tel	(1.2)	23.75	0.93	3.9%	24.68	NA	
Thunder Bay	(0.0)	10.93	0.00	0.0%	10.93	NA	
'edmonton tel'	2.8	19.24	-0.31	-1.6%	18.92	NA	
Prince Rupert	0.0	19.70	-0.15	-0.8%	19.54	NA	
NorthwesTel	(3.5)	12.92	2.57	19.9%	15.49	NA	
Total or Mean	(16.7)	19.54	0.37	1.9%	19.92	NA	
Unweighted Average		19.90	0.94	4.7%	20.85	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers:	RESELLER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	7.25 cts/min	16.2% of Telco rate.
Market Lost to Competition:	-10.0%	

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(2.1)	8.14	1.13	13.9%	9.27	NA	NA	20.04
Quebec-Tel	(8.9)	7.64	1.62	21.2%	9.26	NA		20.08
Telebec	(4.0)	11.13	0.80	7.1%	11.93	NA		13.53
Northern Tel	(1.2)	8.97	0.64	7.1%	9.61	NA		14.56
Thunder Bay	(0.0)	4.63	0.00	0.1%	4.64	NA		7.31
'edmonton tel'	2.8	6.94	-0.17	-2.5%	6.77	NA		4.88
Prince Rupert	0.0	8.52	-0.12	-1.4%	8.39	NA		5.71
NorthwesTel	(3.5)	6.46	1.69	26.1%	8.14	NA		22.43
Total or Mean	(16.7)	7.97	0.69	8.7%	8.66	NA		12.42
Unweighted Average		7.80	0.70	8.9%	8.50	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Terra Nova Tel	(2.1)	8.14	1.35	16.5%	9.49	NA	NA
Quebec-Tel	(8.9)	7.64	2.13	27.9%	9.78	NA	
Telebec	(4.0)	11.13	1.04	9.3%	12.17	NA	
Northern Tel	(1.2)	8.97	0.93	10.3%	9.90	NA	
Thunder Bay	(0.0)	4.63	0.00	0.1%	4.64	NA	
'edmonton tel'	2.8	6.94	-0.31	-4.5%	6.62	NA	
Prince Rupert	0.0	8.52	-0.15	-1.8%	8.36	NA	
NorthwesTel	(3.5)	6.46	2.57	39.7%	9.03	NA	
Total or Mean	(16.7)	7.97	0.88	11.1%	8.85	NA	
Unweighted Average		7.80	0.94	12.1%	8.75	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.95 cts/min 17.7% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(11.9)	37.82	7.99	21.1%	45.81	NA		4.36%
Island Tel	(2.9)	30.36	5.31	17.5%	35.67	NA	NA	4.38%
MT&T	(30.3)	25.60	7.09	27.7%	32.69	NA	NA	5.07%
NBTel	(25.2)	32.22	10.19	31.6%	42.42	NA	NA	5.51%
Bell	(424.4)	35.12	7.04	20.0%	42.16	NA	NA	4.04%
Manitoba Tel	(17.8)	18.19	3.00	16.5%	21.19	NA		2.26%
SaskTel	(41.7)	17.07	7.77	45.5%	24.84	NA		4.80%
AGT	(107.9)	22.85	10.36	45.3%	33.21	NA	NA	5.68%
B.C. Tel	(113.6)	34.72	9.19	26.5%	43.92	NA	NA	5.01%
Total or Mean	(775.7)	31.64	7.53	23.8%	39.16	NA		4.37%
Unweighted Average		28.22	7.55	26.8%	35.77	NA		4.57%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(11.9)	37.82	4.07	10.8%	41.89	NA	
Island Tel	(2.9)	30.36	2.56	8.4%	32.93	NA	NA
MT&T	(30.3)	25.60	3.74	14.6%	29.34	NA	NA
NBTel	(25.2)	32.22	4.28	13.3%	36.51	NA	NA
Bell	(424.4)	35.12	3.23	9.2%	38.36	NA	NA
Manitoba Tel	(17.8)	18.19	1.57	8.7%	19.77	NA	
SaskTel	(41.7)	17.07	4.18	24.5%	21.25	NA	
AGT	(107.9)	22.85	5.72	25.0%	28.57	NA	NA
B.C. Tel	(113.6)	34.72	4.26	12.3%	38.98	NA	NA
Total or Mean	(775.7)	31.64	3.61	11.4%	35.25	NA	
Unweighted Average		28.22	3.74	13.2%	31.96	NA	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	7.95 cts/min	17.7% of Telco rate.
	Market Lost to Competition:	-20.0%	
			Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(11.9)	11.39	2.41	21.1%	13.80	NA		18.39
Island Tel	(2.9)	10.13	1.77	17.5%	11.90	NA	NA	16.09
MT&T	(30.3)	9.89	2.74	27.7%	12.63	NA	NA	19.02
NBTel	(25.2)	9.12	2.88	31.6%	12.00	NA	NA	16.71
Bell	(424.4)	10.39	2.08	20.0%	12.47	NA	NA	14.78
Manitoba Tel	(17.8)	6.21	1.02	16.5%	7.23	NA		11.58
SaskTel	(41.7)	6.07	2.76	45.5%	8.83	NA		15.69
AGT	(107.9)	8.23	3.73	45.3%	11.96	NA	NA	21.33
B.C. Tel	(113.6)	10.08	2.67	26.5%	12.75	NA	NA	17.52
Total or Mean	(775.7)	9.78	2.31	23.6%	12.08	NA		15.32
Unweighted Average		9.06	2.45	27.1%	11.51	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(11.9)	11.39	4.07	35.8%	15.46	NA	
Island Tel	(2.9)	10.13	2.56	25.3%	12.70	NA	NA
MT&T	(30.3)	9.89	3.74	37.8%	13.63	NA	NA
NBTel	(25.2)	9.12	4.28	47.0%	13.40	NA	NA
Bell	(424.4)	10.39	3.23	31.1%	13.63	NA	NA
Manitoba Tel	(17.8)	6.21	1.57	25.4%	7.78	NA	
SaskTel	(41.7)	6.07	4.18	68.9%	10.25	NA	
AGT	(107.9)	8.23	5.72	69.5%	13.95	NA	NA
B.C. Tel	(113.6)	10.08	4.26	42.2%	14.34	NA	NA
Total or Mean	(775.7)	9.78	3.57	36.5%	13.34	NA	
Unweighted Average		9.06	3.74	41.3%	12.79	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 7.95 cts/min 17.7% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(3.8)	20.30	5.14	25.3%	25.44	NA	NA	4.67%
Quebec-Tel	(16.9)	20.34	8.19	40.3%	28.53	NA		5.67%
Telebec	(7.2)	32.05	4.15	12.9%	36.19	NA		3.62%
Northern Tel	(2.1)	23.75	3.08	12.9%	26.83	NA		4.37%
Thunder Bay	0.2	10.93	-0.14	-1.3%	10.79	NA		-0.46%
'edmonton tel'	7.8	19.24	-1.31	-6.8%	17.93	NA		-2.17%
Prince Rupert	0.1	19.70	-0.79	-4.0%	18.91	NA		-2.52%
NorthwesTel	(6.4)	12.92	6.23	48.2%	19.15	NA		5.34%
Total or Mean	(28.3)	19.54	1.15	5.9%	20.70	NA		2.97%
Unweighted Average		19.90	3.07	15.4%	22.97	NA		2.31%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(3.8)	20.30	2.45	12.1%	22.75	NA	NA
Quebec-Tel	(16.9)	20.34	4.06	20.0%	24.40	NA	
Telebec	(7.2)	32.05	1.88	5.9%	33.93	NA	
Northern Tel	(2.1)	23.75	1.68	7.1%	25.43	NA	
Thunder Bay	0.2	10.93	-0.09	-0.8%	10.84	NA	
'edmonton tel'	7.8	19.24	-0.87	-4.5%	18.37	NA	
Prince Rupert	0.1	19.70	-0.44	-2.2%	19.26	NA	
NorthwesTel	(6.4)	12.92	4.74	36.7%	17.66	NA	
Total or Mean	(28.3)	19.54	0.52	2.7%	20.06	NA	
Unweighted Average		19.90	1.68	8.4%	21.58	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	7.95 cts/min	17.7% of Telco rate.
	Market Lost to Competition:	-20.0%	

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(3.8)	8.14	2.06	25.3%	10.20	NA	NA	19.58
Quebec-Tel	(16.9)	7.64	3.08	40.3%	10.72	NA		20.16
Telebec	(7.2)	11.13	1.44	12.9%	12.57	NA		13.63
Northern Tel	(2.1)	8.97	1.16	12.9%	10.14	NA		14.58
Thunder Bay	0.2	4.63	-0.06	-1.3%	4.58	NA		7.27
'edmonton tel'	7.8	6.94	-0.47	-6.8%	6.47	NA		4.66
Prince Rupert	0.1	8.52	-0.34	-4.0%	8.17	NA		5.78
NorthwesTel	(6.4)	6.46	3.12	48.2%	9.58	NA		21.98
Total or Mean	(28.3)	7.97	1.24	15.5%	9.20	NA		12.33
Unweighted Average		7.80	1.25	16.0%	9.05	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(3.8)	8.14	2.45	30.1%	10.59	NA	NA
Quebec-Tel	(16.9)	7.64	4.06	53.1%	11.70	NA	
Telebec	(7.2)	11.13	1.88	16.9%	13.01	NA	
Northern Tel	(2.1)	8.97	1.68	18.7%	10.65	NA	
Thunder Bay	0.2	4.63	-0.09	-2.0%	4.54	NA	
'edmonton tel'	7.8	6.94	-0.87	-12.5%	6.07	NA	
Prince Rupert	0.1	8.52	-0.44	-5.1%	8.08	NA	
NorthwesTel	(6.4)	6.46	4.74	73.4%	11.20	NA	
Total or Mean	(28.3)	7.97	1.55	19.5%	9.52	NA	
Unweighted Average		7.80	1.68	21.5%	9.48	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 5.20 cts/min 11.6% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(7.7)	37.82	5.17	13.7%	42.99	51.70		2.75%
Island Tel	(1.9)	30.36	3.55	11.7%	33.91	35.48	50.6%	2.86%
MT&T	(19.1)	25.60	4.48	17.5%	30.08	44.76	47.9%	3.13%
NBTel	(15.7)	32.22	6.34	19.7%	38.57	63.41	41.9%	3.36%
Bell	(284.7)	35.12	4.72	13.4%	39.84	47.21	59.5%	2.66%
Manitoba Tel	(14.1)	18.19	2.37	13.0%	20.56	23.69		1.74%
SaskTel	(26.4)	17.07	4.92	28.8%	21.99	49.20		2.97%
AGT	(66.1)	22.85	6.35	27.8%	29.20	63.49	42.1%	3.39%
B.C. Tel	(74.3)	34.72	6.01	17.3%	40.73	60.09	55.3%	3.20%
Total or Mean	(510.0)	31.64	4.95	15.7%	36.59	49.52		2.82%
Unweighted Average		28.22	4.88	17.3%	33.10	48.78		2.90%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(7.7)	37.82	2.64	7.0%	40.46	26.35	
Island Tel	(1.9)	30.36	1.71	5.6%	32.08	17.14	61.5%
MT&T	(19.1)	25.60	2.36	9.2%	27.96	23.62	57.8%
NBTel	(15.7)	32.22	2.67	8.3%	34.89	26.66	61.7%
Bell	(284.7)	35.12	2.17	6.2%	37.29	21.69	73.7%
Manitoba Tel	(14.1)	18.19	1.24	6.8%	19.43	12.44	
SaskTel	(26.4)	17.07	2.65	15.5%	19.72	26.49	
AGT	(66.1)	22.85	3.50	15.3%	26.36	35.04	56.8%
B.C. Tel	(74.3)	34.72	2.78	8.0%	37.51	27.82	70.5%
Total or Mean	(510.0)	31.64	2.37	7.5%	34.01	23.74	
Unweighted Average		28.22	2.41	8.6%	30.63	24.14	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	RESELLER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	5.20 cts/min	11.6% of Telco rate.
Market Lost to Competition:	-10.0%	

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(7.7)	11.39	1.56	13.7%	12.95	15.57		17.81
Island Tel	(1.9)	10.13	1.18	11.7%	11.32	11.84	64.2%	15.36
MT&T	(19.1)	9.89	1.73	17.5%	11.62	17.29	56.4%	18.25
NBTel	(15.7)	9.12	1.79	19.7%	10.91	17.95	47.4%	15.38
Bell	(284.7)	10.39	1.40	13.4%	11.79	13.97	53.5%	13.76
Manitoba Tel	(14.1)	6.21	0.81	13.0%	7.01	8.08		10.56
SaskTel	(26.4)	6.07	1.75	28.8%	7.82	17.49		15.53
AGT	(66.1)	8.23	2.29	27.8%	10.51	22.86	56.6%	20.51
B.C. Tel	(74.3)	10.08	1.74	17.3%	11.83	17.45	62.5%	16.89
Total or Mean	(510.0)	9.78	1.52	15.5%	11.29	15.18		14.25
Unweighted Average		9.06	1.58	17.5%	10.64	15.83		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(7.7)	11.39	2.64	23.1%	14.02	26.35	
Island Tel	(1.9)	10.13	1.71	16.9%	11.85	17.14	56.7%
MT&T	(19.1)	9.89	2.36	23.9%	12.25	23.62	46.6%
NBTel	(15.7)	9.12	2.67	29.2%	11.79	26.66	34.4%
Bell	(284.7)	10.39	2.17	20.9%	12.56	21.69	38.5%
Manitoba Tel	(14.1)	6.21	1.24	20.0%	7.45	12.44	
SaskTel	(26.4)	6.07	2.65	43.6%	8.72	26.49	
AGT	(66.1)	8.23	3.50	42.6%	11.73	35.04	46.1%
B.C. Tel	(74.3)	10.08	2.78	27.6%	12.87	27.82	49.5%
Total or Mean	(510.0)	9.78	2.35	24.0%	12.12	23.48	
Unweighted Average		9.06	2.41	26.7%	11.47	24.14	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 5.20 cts/min 11.6% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(2.5)	20.30	3.41	16.8%	23.71	34.13	58.0%	3.03%
Quebec-Tel	(9.8)	20.34	4.77	23.4%	25.11	47.69		3.24%
Telebec	(4.8)	32.05	2.78	8.7%	34.83	27.84		2.39%
Northern Tel	(1.4)	23.75	2.09	8.8%	25.84	20.89		2.97%
Thunder Bay	(0.3)	10.93	0.19	1.7%	11.12	1.90		0.64%
'edmonton tel'	0.0	19.24	-0.01	0.0%	19.23	-0.06		-0.01%
Prince Rupert	(0.0)	19.70	0.00	0.0%	19.70	0.01		0.00%
NorthwesTel	(4.0)	12.92	3.92	30.4%	16.84	39.24		3.28%
Total or Mean	(22.9)	19.54	1.21	6.2%	20.75	12.11		2.37%
Unweighted Average		19.90	2.15	10.8%	22.05	21.45		1.94%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(2.5)	20.30	1.63	8.0%	21.93	16.26	66.2%
Quebec-Tel	(9.8)	20.34	2.36	11.6%	22.70	23.64	
Telebec	(4.8)	32.05	1.26	3.9%	33.31	12.64	
Northern Tel	(1.4)	23.75	1.14	4.8%	24.89	11.42	
Thunder Bay	(0.3)	10.93	0.13	1.2%	11.06	1.27	
'edmonton tel'	0.0	19.24	0.00	0.0%	19.23	-0.04	
Prince Rupert	(0.0)	19.70	0.00	0.0%	19.70	0.01	
NorthwesTel	(4.0)	12.92	2.99	23.1%	15.91	29.88	
Total or Mean	(22.9)	19.54	0.65	3.3%	20.20	6.54	
Unweighted Average		19.90	1.19	6.0%	21.09	11.88	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 5.20 cts/min 11.6% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(2.5)	8.14	1.37	16.8%	9.51	13.69	79.3%	19.63
Quebec-Tel	(9.8)	7.64	1.79	23.4%	9.43	17.92		18.47
Telebec	(4.8)	11.13	0.97	8.7%	12.10	9.67		12.32
Northern Tel	(1.4)	8.97	0.79	8.8%	9.76	7.89		13.61
Thunder Bay	(0.3)	4.63	0.08	1.7%	4.72	0.80		6.95
'edmonton tel'	0.0	6.94	0.00	0.0%	6.94	-0.02		5.17
Prince Rupert	(0.0)	8.52	0.00	0.0%	8.52	0.01		5.21
NorthwesTel	(4.0)	6.46	1.96	30.4%	8.42	19.62		21.70
Total or Mean	(22.9)	7.97	0.86	10.8%	8.83	8.62		11.81
Unweighted Average		7.80	0.87	11.1%	8.67	8.70		

Impact of Competition on Telep'ione Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(2.5)	8.14	1.63	20.0%	9.77	16.26	76.2%
Quebec-Tel	(9.8)	7.64	2.36	30.9%	10.01	23.64	
Telebec	(4.8)	11.13	1.26	11.4%	12.40	12.64	
Northern Tel	(1.4)	8.97	1.14	12.7%	10.12	11.42	
Thunder Bay	(0.3)	4.63	0.13	2.7%	4.76	1.27	
'edmonton tel'	0.0	6.94	0.00	-0.1%	6.93	-0.04	
Prince Rupert	(0.0)	8.52	0.00	0.0%	8.52	0.01	
NorthwesTel	(4.0)	6.46	2.99	46.3%	9.45	29.88	
Total or Mean	(22.9)	7.97	1.14	14.3%	9.11	11.41	
Unweighted Average		7.80	1.19	15.2%	8.99	11.88	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 5.85 cts/min 13.1% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(14.3)	37.82	9.60	25.4%	47.42	96.00		5.24%
Island Tel	(3.5)	30.36	6.52	21.5%	36.88	65.21	39.9%	5.38%
MT&T	(35.8)	25.60	8.38	32.7%	33.98	83.80	37.0%	5.99%
NBTel	(29.5)	32.22	11.91	37.0%	44.13	119.10	28.1%	6.44%
Bell	(523.0)	35.12	8.67	24.7%	43.80	86.73	45.8%	4.97%
Manitoba Tel	(25.0)	18.19	4.21	23.2%	22.40	42.12		3.18%
SaskTel	(49.5)	17.07	9.22	54.0%	26.29	92.19		5.69%
AGT	(124.7)	22.85	11.98	52.4%	34.83	119.79	27.3%	6.56%
B.C. Tel	(137.5)	34.72	11.13	32.0%	45.85	111.28	41.2%	6.06%
Total or Mean	(942.9)	31.64	9.15	28.9%	40.79	91.53		5.32%
Unweighted Average		28.22	9.07	32.1%	37.29	90.69		5.50%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(14.3)	37.82	4.89	12.9%	42.71	48.93	
Island Tel	(3.5)	30.36	3.15	10.4%	33.51	31.51	52.6%
MT&T	(35.8)	25.60	4.42	17.3%	30.02	44.23	48.1%
NBTel	(29.5)	32.22	5.01	15.5%	37.23	50.07	47.4%
Bell	(523.0)	35.12	3.98	11.3%	39.11	39.85	63.0%
Manitoba Tel	(25.0)	18.19	2.21	12.2%	20.40	22.13	
SaskTel	(49.5)	17.07	4.96	29.1%	22.03	49.63	
AGT	(124.7)	22.85	6.61	28.9%	29.47	66.11	41.1%
B.C. Tel	(137.5)	34.72	5.15	14.8%	39.88	51.52	58.7%
Total or Mean	(942.9)	31.64	4.39	13.9%	36.03	43.91	
Unweighted Average		28.22	4.49	15.9%	32.71	44.88	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 5.85 cts/min 13.1% of Telco rate.
Market Lost to Competition: -20.0%
Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(14.3)	11.39	2.89	25.4%	14.28	28.91		17.56
Island Tel	(3.5)	10.13	2.18	21.5%	12.31	21.76	51.2%	15.19
MT&T	(35.8)	9.89	3.24	32.7%	13.13	32.37	36.1%	18.07
NBTel	(29.5)	9.12	3.37	37.0%	12.49	33.71	27.4%	15.41
Bell	(523.0)	10.39	2.57	24.7%	12.96	25.66	32.8%	13.72
Manitoba Tel	(25.0)	6.21	1.44	23.2%	7.64	14.37		10.62
SaskTel	(49.5)	6.07	3.28	54.0%	9.35	32.78		15.53
AGT	(124.7)	8.23	4.31	52.4%	12.54	43.13	40.8%	20.29
B.C. Tel	(137.5)	10.08	3.23	32.0%	13.31	32.31	44.9%	16.67
Total or Mean	(942.9)	9.78	2.81	28.7%	12.58	28.06		14.21
Unweighted Average		9.06	2.94	32.5%	12.00	29.44		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(14.3)	11.39	4.89	43.0%	16.28	48.93	
Island Tel	(3.5)	10.13	3.15	31.1%	13.28	31.51	42.1%
MT&T	(35.8)	9.89	4.42	44.7%	14.31	44.23	26.3%
NBTel	(29.5)	9.12	5.01	54.9%	14.13	50.07	17.5%
Bell	(523.0)	10.39	3.98	38.3%	14.38	39.85	19.6%
Manitoba Tel	(25.0)	6.21	2.21	35.6%	8.42	22.13	
SaskTel	(49.5)	6.07	4.96	81.8%	11.03	49.63	
AGT	(124.7)	8.23	6.61	80.3%	14.84	66.11	30.2%
B.C. Tel	(137.5)	10.08	5.15	51.1%	15.23	51.52	30.4%
Total or Mean	(942.9)	9.78	4.34	44.4%	14.11	43.39	
Unweighted Average		9.06	4.49	49.6%	13.54	44.88	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers:	RESELLER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	5.85 cts/min	13.1% of Telco rate.
Market Lost to Competition:	-20.0%	

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(4.7)	20.30	6.31	31.1%	26.61	63.10	45.4%	5.73%
Quebec-Tel	(18.8)	20.34	9.12	44.8%	29.46	91.21		6.31%
Telebec	(8.9)	32.05	5.13	16.0%	37.17	51.29		4.48%
Northern Tel	(2.7)	23.75	3.86	16.3%	27.61	38.61		5.49%
Thunder Bay	(0.3)	10.93	0.23	2.1%	11.16	2.31		0.78%
'edmonton tel'	2.2	19.24	-0.38	-2.0%	18.86	-3.78		-0.63%
Prince Rupert	0.0	19.70	-0.23	-1.1%	19.47	-2.26		-0.72%
NorthwesTel	(7.6)	12.92	7.34	56.8%	20.26	73.37		6.29%
Total or Mean	(40.6)	19.54	2.05	10.5%	21.59	20.53		4.26%
Unweighted Average		19.90	3.92	19.7%	23.83	39.23		3.47%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(4.7)	20.30	3.01	14.8%	23.31	30.06	58.1%
Quebec-Tel	(18.8)	20.34	4.52	22.2%	24.86	45.21	
Telebec	(8.9)	32.05	2.33	7.3%	34.37	23.29	
Northern Tel	(2.7)	23.75	2.11	8.9%	25.86	21.11	
Thunder Bay	(0.3)	10.93	0.15	1.4%	11.08	1.54	
'edmonton tel'	2.2	19.24	-0.25	-1.3%	18.98	-2.51	
Prince Rupert	0.0	19.70	-0.12	-0.6%	19.57	-1.25	
NorthwesTel	(7.6)	12.92	5.59	43.2%	18.51	55.86	
Total or Mean	(40.6)	19.54	1.08	5.5%	20.62	10.80	
Unweighted Average		19.90	2.17	10.9%	22.07	21.66	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 5.85 cts/min 13.1% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(4.7)	8.14	2.53	31.1%	10.67	25.31	60.9%	19.19
Quebec-Tel	(18.8)	7.64	3.43	44.8%	11.07	34.27		18.54
Telebec	(8.9)	11.13	1.78	16.0%	12.91	17.82		12.41
Northern Tel	(2.7)	8.97	1.46	16.3%	10.43	14.59		13.62
Thunder Bay	(0.3)	4.63	0.10	2.1%	4.73	0.98		6.91
'edmonton tel'	2.2	6.94	-0.14	-2.0%	6.80	-1.36		4.96
Prince Rupert	0.0	8.52	-0.10	-1.1%	8.42	-0.98		5.27
NorthwesTel	(7.6)	6.46	3.67	56.8%	10.13	36.69		21.27
Total or Mean	(40.6)	7.97	1.58	19.8%	9.55	15.79		11.71
Unweighted Average		7.80	1.59	20.4%	9.40	15.91		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(4.7)	8.14	3.01	36.9%	11.15	30.06	54.9%
Quebec-Tel	(18.8)	7.64	4.52	59.2%	12.16	45.21	
Telebec	(8.9)	11.13	2.33	20.9%	13.46	23.29	
Northern Tel	(2.7)	8.97	2.11	23.5%	11.08	21.11	
Thunder Bay	(0.3)	4.63	0.15	3.3%	4.79	1.54	
'edmonton tel'	2.2	6.94	-0.25	-3.6%	6.69	-2.51	
Prince Rupert	0.0	8.52	-0.12	-1.5%	8.39	-1.25	
NorthwesTel	(7.6)	6.46	5.59	86.5%	12.05	55.86	
Total or Mean	(40.6)	7.97	2.07	25.9%	10.03	20.66	
Unweighted Average		7.80	2.17	27.8%	9.97	21.66	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 2.15 cts/min 4.8% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(9.8)	37.82	6.60	17.4%	44.42	26.38		3.51%
Island Tel	(2.5)	30.36	4.62	15.2%	34.98	18.49	60.5%	3.73%
MT&T	(24.0)	25.60	5.62	21.9%	31.22	22.47	58.5%	3.93%
NBTel	(19.5)	32.22	7.86	24.4%	40.09	31.45	58.1%	4.17%
Bell	(371.6)	35.12	6.16	17.5%	41.29	24.65	71.7%	3.47%
Manitoba Tel	(20.4)	18.19	3.44	18.9%	21.63	13.78		2.53%
SaskTel	(33.3)	17.07	6.20	36.3%	23.27	24.81		3.74%
AGT	(81.0)	22.85	7.78	34.1%	30.64	31.13	59.5%	4.15%
B.C. Tel	(95.5)	34.72	7.72	22.2%	42.45	30.90	68.7%	4.12%
Total or Mean	(657.6)	31.64	6.39	20.2%	38.03	25.55		3.63%
Unweighted Average		28.22	6.22	22.1%	34.44	24.90		3.71%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(9.8)	37.82	3.36	8.9%	41.18	13.45	
Island Tel	(2.5)	30.36	2.23	7.4%	32.60	8.93	68.5%
MT&T	(24.0)	25.60	2.96	11.6%	28.56	11.86	66.0%
NBTel	(19.5)	32.22	3.31	10.3%	35.53	13.22	74.7%
Bell	(371.6)	35.12	2.83	8.1%	37.95	11.32	81.6%
Manitoba Tel	(20.4)	18.19	1.81	9.9%	20.00	7.24	
SaskTel	(33.3)	17.07	3.34	19.6%	20.41	13.36	
AGT	(81.0)	22.85	4.30	18.8%	27.15	17.18	71.4%
B.C. Tel	(95.5)	34.72	3.58	10.3%	38.30	14.30	79.7%
Total or Mean	(657.6)	31.64	3.06	9.7%	34.70	12.24	
Unweighted Average		28.22	3.08	10.9%	31.30	12.32	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	2.15 cts/min	4.8% of Telco rate.
	Market Lost to Competition:	-10.0%	
			Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(9.8)	11.39	1.99	17.4%	13.37	7.94		16.44
Island Tel	(2.5)	10.13	1.54	15.2%	11.67	6.17	73.6%	13.91
MT&T	(24.0)	9.89	2.17	21.9%	12.06	8.68	72.1%	16.70
NBTel	(19.5)	9.12	2.23	24.4%	11.35	8.90	68.0%	13.36
Bell	(371.6)	10.39	1.82	17.5%	12.22	7.29	69.9%	12.08
Manitoba Tel	(20.4)	6.21	1.17	18.9%	7.38	4.70		9.07
SaskTel	(33.3)	6.07	2.21	36.3%	8.27	8.82		13.72
AGT	(81.0)	8.23	2.80	34.1%	11.03	11.21	70.3%	18.82
B.C. Tel	(95.5)	10.08	2.24	22.2%	12.33	8.97	74.6%	15.49
Total or Mean	(657.6)	9.78	1.96	20.0%	11.73	7.84		12.51
Unweighted Average		9.06	2.02	22.3%	11.08	8.08		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(9.8)	11.39	3.36	29.5%	14.75	13.45	
Island Tel	(2.5)	10.13	2.23	22.0%	12.36	8.93	68.8%
MT&T	(24.0)	9.89	2.96	30.0%	12.85	11.86	66.2%
NBTel	(19.5)	9.12	3.31	36.2%	12.43	13.22	57.2%
Bell	(371.6)	10.39	2.83	27.2%	13.22	11.32	59.8%
Manitoba Tel	(20.4)	6.21	1.81	29.1%	8.02	7.24	
SaskTel	(33.3)	6.07	3.34	55.0%	9.41	13.36	
AGT	(81.0)	8.23	4.30	52.2%	12.52	17.18	62.8%
B.C. Tel	(95.5)	10.08	3.58	35.5%	13.66	14.30	66.9%
Total or Mean	(657.6)	9.78	3.03	31.0%	12.81	12.12	
Unweighted Average		9.06	3.08	34.0%	12.14	12.32	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 2.15 cts/min 4.8% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(3.3)	20.30	4.45	21.9%	24.75	17.81	65.4%	3.95%
Quebec-Tel	(11.5)	20.34	5.59	27.5%	25.93	22.37		3.80%
Telebec	(6.4)	32.05	3.66	11.4%	35.70	14.62		3.14%
Northern Tel	(1.9)	23.75	2.78	11.7%	26.54	11.14		3.96%
Thunder Bay	(0.7)	10.93	0.52	4.7%	11.44	2.06		1.74%
'edmonton tel'	(4.9)	19.24	0.82	4.3%	20.05	3.27		1.36%
Prince Rupert	(0.1)	19.70	0.50	2.5%	20.20	2.00		1.59%
NorthwesTel	(5.1)	12.92	4.90	38.0%	17.82	19.61		4.09%
Total or Mean	(33.8)	19.54	2.01	10.3%	21.55	8.03		3.51%
Unweighted Average		19.90	2.90	14.6%	22.80	11.61		2.95%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(3.3)	20.30	2.12	10.4%	22.42	8.48	70.3%
Quebec-Tel	(11.5)	20.34	2.77	13.6%	23.11	11.09	
Telebec	(6.4)	32.05	1.66	5.2%	33.70	6.64	
Northern Tel	(1.9)	23.75	1.52	6.4%	25.27	6.09	
Thunder Bay	(0.7)	10.93	0.34	3.1%	11.27	1.37	
'edmonton tel'	(4.9)	19.24	0.54	2.8%	19.78	2.17	
Prince Rupert	(0.1)	19.70	0.28	1.4%	19.97	1.10	
NorthwesTel	(5.1)	12.92	3.73	28.9%	16.65	14.93	
Total or Mean	(33.8)	19.54	1.15	5.9%	20.69	4.60	
Unweighted Average		19.90	1.62	8.1%	21.52	6.49	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 2.15 cts/min 4.8% of Telco rate
Market Lost to Competition: -10.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(3.3)	8.14	1.79	21.9%	9.93	7.14	86.4%	18.87
Quebec-Tel	(11.5)	7.64	2.10	27.5%	9.74	8.40		15.97
Telebec	(6.4)	11.13	1.27	11.4%	12.40	5.08		10.46
Northern Tel	(1.9)	8.97	1.05	11.7%	10.03	4.21		12.11
Thunder Bay	(0.7)	4.63	0.22	4.7%	4.85	0.87		6.36
'edmonton tel'	(4.9)	6.94	0.30	4.3%	7.23	1.18		5.56
Prince Rupert	(0.1)	8.52	0.22	2.5%	8.73	0.87		4.43
NorthwesTel	(5.1)	6.46	2.45	38.0%	8.91	9.81		20.46
Total or Mean	(33.8)	7.97	1.17	14.6%	9.13	4.66		10.82
Unweighted Average		7.80	1.17	15.0%	8.98	4.70		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(3.3)	8.14	2.12	26.1%	10.26	8.48	85.1%
Quebec-Tel	(11.5)	7.64	2.77	36.3%	10.41	11.09	
Telebec	(6.4)	11.13	1.66	14.9%	12.79	6.64	
Northern Tel	(1.9)	8.97	1.52	17.0%	10.50	6.09	
Thunder Bay	(0.7)	4.63	0.34	7.4%	4.98	1.37	
'edmonton tel'	(4.9)	6.94	0.54	7.8%	7.48	2.17	
Prince Rupert	(0.1)	8.52	0.28	3.2%	8.79	1.10	
NorthwesTel	(5.1)	6.46	3.73	57.8%	10.19	14.93	
Total or Mean	(33.8)	7.97	1.59	20.0%	9.56	6.38	
Unweighted Average		7.80	1.62	20.8%	9.43	6.49	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	2.75 cts/min	6.1% of Telco rate.
	Market Lost to Competition:	-20.0%	
			Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(18.5)	37.82	12.41	32.8%	50.24	49.66		6.77%
Island Tel	(4.6)	30.36	8.64	28.5%	39.00	34.57	51.0%	7.12%
MT&T	(45.5)	25.60	10.64	41.5%	36.24	42.54	48.8%	7.60%
NBTel	(36.9)	32.22	14.92	46.3%	47.14	59.67	43.3%	8.06%
Bell	(695.7)	35.12	11.54	32.8%	46.66	46.14	60.0%	6.62%
Manitoba Tel	(37.6)	18.19	6.34	34.8%	24.53	25.34		4.78%
SaskTel	(63.1)	17.07	11.75	68.9%	28.82	47.01		7.26%
AGT	(154.2)	22.85	14.81	64.8%	37.67	59.25	43.8%	8.12%
B.C. Tel	(179.4)	34.72	14.52	41.8%	49.24	58.07	56.1%	7.91%
Total or Mean	(1,235.6)	31.64	12.00	37.9%	43.64	48.01		6.97%
Unweighted Average		28.22	11.73	41.6%	39.95	46.92		7.14%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(18.5)	37.82	6.33	16.7%	44.15	25.31	
Island Tel	(4.6)	30.36	4.18	13.8%	34.54	16.70	61.8%
MT&T	(45.5)	25.60	5.61	21.9%	31.21	22.45	58.5%
NBTel	(36.9)	32.22	6.27	19.5%	38.50	25.08	63.0%
Bell	(695.7)	35.12	5.30	15.1%	40.42	21.20	74.1%
Manitoba Tel	(37.6)	18.19	3.33	18.3%	21.52	13.31	
SaskTel	(63.1)	17.07	6.33	37.1%	23.40	25.31	
AGT	(154.2)	22.85	8.17	35.8%	31.03	32.70	58.4%
B.C. Tel	(179.4)	34.72	6.72	19.4%	41.45	26.88	71.1%
Total or Mean	(1,235.6)	31.64	5.75	18.2%	37.39	23.00	
Unweighted Average		28.22	5.80	20.6%	34.02	23.22	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 2.75 cts/min 6.1% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(18.5)	11.39	3.74	32.8%	15.13	14.95		16.20
Island Tel	(4.6)	10.13	2.88	28.5%	13.02	11.54	64.7%	13.74
MT&T	(45.5)	9.89	4.11	41.5%	14.00	16.43	57.9%	16.53
NBTel	(36.9)	9.12	4.22	46.3%	13.34	16.89	49.4%	13.39
Bell	(695.7)	10.39	3.41	32.8%	13.81	13.65	54.2%	12.04
Manitoba Tel	(37.6)	6.21	2.16	34.8%	8.37	8.65		9.12
SaskTel	(63.1)	6.07	4.18	68.9%	10.25	16.71		13.71
AGT	(154.2)	8.23	5.33	64.8%	13.56	21.33	58.2%	18.62
B.C. Tel	(179.4)	10.08	4.22	41.8%	14.30	16.86	63.3%	15.29
Total or Mean	(1,235.6)	9.78	3.68	37.6%	13.46	14.72		12.49
Unweighted Average		9.06	3.81	42.0%	12.86	15.22		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(18.5)	11.39	6.33	55.6%	17.72	25.31	
Island Tel	(4.6)	10.13	4.18	41.2%	14.31	16.70	57.3%
MT&T	(45.5)	9.89	5.61	56.8%	15.50	22.45	48.2%
NBTel	(36.9)	9.12	6.27	68.8%	15.39	25.08	36.4%
Bell	(695.7)	10.39	5.30	51.0%	15.69	21.20	39.3%
Manitoba Tel	(37.6)	6.21	3.33	53.6%	9.53	13.31	
SaskTel	(63.1)	6.07	6.33	104.2%	12.40	25.31	
AGT	(154.2)	8.23	8.17	99.4%	16.40	32.70	47.9%
B.C. Tel	(179.4)	10.08	6.72	66.7%	16.80	26.88	50.6%
Total or Mean	(1,235.6)	9.78	5.69	58.2%	15.47	22.77	
Unweighted Average		9.06	5.80	64.1%	14.86	23.22	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 2.75 cts/min 6.1% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates
discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	---------- BUSINESS ---------- MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(6.2)	20.30	8.36	41.2%	28.66	33.46	56.5%	7.60%
Quebec-Tel	(22.1)	20.34	10.75	52.8%	31.08	42.98		7.44%
Telebec	(11.9)	32.05	6.85	21.4%	38.90	27.41		5.99%
Northern Tel	(3.6)	23.75	5.23	22.0%	28.99	20.94		7.45%
Thunder Bay	(1.3)	10.93	0.87	8.0%	11.80	3.49		2.94%
'edmonton tel'	(7.4)	19.24	1.25	6.5%	20.49	5.01		2.08%
Prince Rupert	(0.1)	19.70	0.76	3.9%	20.46	3.04		2.42%
NorthwesTel	(9.6)	12.92	9.27	71.8%	22.19	37.09		7.95%
Total or Mean	(62.2)	19.54	3.63	18.6%	23.17	14.50		6.53%
Unweighted Average		19.90	5.42	27.2%	25.32	21.68		5.48%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(6.2)	20.30	3.98	19.6%	24.28	15.94	65.4%
Quebec-Tel	(22.1)	20.34	5.33	26.2%	25.67	21.31	
Telebec	(11.9)	32.05	3.11	9.7%	35.16	12.44	
Northern Tel	(3.6)	23.75	2.86	12.0%	26.61	11.45	
Thunder Bay	(1.3)	10.93	0.58	5.3%	11.51	2.33	
'edmonton tel'	(7.4)	19.24	0.83	4.3%	20.07	3.33	
Prince Rupert	(0.1)	19.70	0.42	2.1%	20.12	1.67	
NorthwesTel	(9.6)	12.92	7.06	54.6%	19.98	28.24	
Total or Mean	(62.2)	19.54	2.06	10.5%	21.60	8.23	
Unweighted Average		19.90	3.02	15.2%	22.92	12.09	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 2.75 cts/min 6.1% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(6.2)	8.14	3.35	41.2%	11.49	13.42	77.6%	18.46
Quebec-Tel	(22.1)	7.64	4.04	52.8%	11.68	16.15		16.03
Telebec	(11.9)	11.13	2.38	21.4%	13.51	9.52		10.54
Northern Tel	(3.6)	8.97	1.98	22.0%	10.95	7.91		12.11
Thunder Bay	(1.3)	4.63	0.37	8.0%	5.01	1.48		6.32
'edmonton tel'	(7.4)	6.94	0.45	6.5%	7.39	1.81		5.36
Prince Rupert	(0.1)	8.52	0.33	3.9%	8.84	1.31		4.48
NorthwesTel	(9.6)	6.46	4.64	71.8%	11.10	18.55		20.06
Total or Mean	(62.2)	7.97	2.18	27.3%	10.15	8.71		10.72
Unweighted Average		7.80	2.19	28.1%	10.00	8.77		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(6.2)	8.14	3.98	48.9%	12.13	15.94	74.1%
Quebec-Tel	(22 1)	7.64	5.33	69.7%	12.97	21.31	
Telebec	(11.9)	11.13	3.11	27.9%	14.24	12.44	
Northern Tel	(3.6)	8.97	2.86	31.9%	11.83	11.45	
Thunder Bay	(1.3)	4.63	0.58	12.6%	5.22	2.33	
'edmonton tel'	(7.4)	6.94	0.83	12.0%	7.77	3.33	
Prince Rupert	(0.1)	8.52	0.42	4.9%	8.93	1.67	
NorthwesTel	(9.6)	6.46	7.06	109.3%	13.52	28.24	
Total or Mean	(62.2)	7.97	2.96	37.2%	10.93	11.85	
Unweighted Average		7.80	3.02	38.7%	10.83	12.09	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates
discounted by 35.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(11.7)	37.82	7.84	20.7%	45.66	22.07		4.17%
Island Tel	(3.0)	30.36	5.56	18.3%	35.92	15.66	62.6%	4.49%
MT&T	(28.3)	25.60	6.61	25.8%	32.21	18.62	61.0%	4.62%
NBTel	(22.7)	32.22	9.19	28.5%	41.41	25.89	62.4%	4.87%
Bell	(447.3)	35.12	7.42	21.1%	42.54	20.89	74.3%	4.18%
Manitoba Tel	(26.0)	18.19	4.38	24.1%	22.57	12.34		3.22%
SaskTel	(39.3)	17.07	7.32	42.9%	24.39	20.62		4.42%
AGT	(94.0)	22.85	9.03	39.5%	31.89	25.44	63.9%	4.82%
B.C. Tel	(113.9)	34.72	9.22	26.5%	43.94	25.97	71.7%	4.91%
Total or Mean	(786.2)	31.64	7.64	24.1%	39.28	21.52		4.35%
Unweighted Average		28.22	7.40	26.2%	35.61	20.83		4.41%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(11.7)	37.82	3.99	10.6%	41.82	11.25	
Island Tel	(3.0)	30.36	2.69	8.8%	33.05	7.56	69.9%
MT&T	(28.3)	25.60	3.49	13.6%	29.09	9.83	67.7%
NBTel	(22.7)	32.22	3.86	12.0%	36.09	10.88	77.6%
Bell	(447.3)	35.12	3.41	9.7%	38.53	9.60	83.1%
Manitoba Tel	(26.0)	18.19	2.30	12.6%	20.49	6.48	
SaskTel	(39.3)	17.07	3.94	23.1%	21.01	11.10	
AGT	(94.0)	22.85	4.98	21.8%	27.64	14.04	74.7%
B.C. Tel	(113.9)	34.72	4.27	12.3%	38.99	12.02	81.5%
Total or Mean	(786.2)	31.64	3.66	11.6%	35.30	10.30	
Unweighted Average		28.22	3.66	13.0%	31.88	10.31	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	RESELLER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
Market Lost to Competition:	-10.0%	

Competing rates discounted by 35.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(11.7)	11.39	2.36	20.7%	13.75	6.65		15.40
Island Tel	(3.0)	10.13	1.85	18.3%	11.99	5.22	75.2%	12.82
MT&T	(28.3)	9.89	2.55	25.8%	12.44	7.19	74.8%	15.53
NBTel	(22.7)	9.12	2.60	28.5%	11.72	7.33	72.3%	11.88
Bell	(447.3)	10.39	2.19	21.1%	12.59	6.18	72.6%	10.83
Manitoba Tel	(26.0)	6.21	1.49	24.1%	7.70	4.21		7.98
SaskTel	(39.3)	6.07	2.60	42.9%	8.67	7.33		12.38
AGT	(94.0)	8.23	3.25	39.5%	11.48	9.16	73.1%	17.54
B.C. Tel	(113.9)	10.08	2.68	26.5%	12.76	7.54	76.6%	14.44
Total or Mean	(786.2)	9.78	2.34	24.0%	12.12	6.60		11.23
Unweighted Average		9.06	2.40	26.5%	11.46	6.76		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(11.7)	11.39	3.99	35.1%	15.38	11.25	
Island Tel	(3.0)	10.13	2.69	26.5%	12.82	7.56	71.1%
MT&T	(28.3)	9.89	3.49	35.3%	13.38	9.83	70.0%
NBTel	(22.7)	9.12	3.86	42.4%	12.98	10.88	62.9%
Bell	(447.3)	10.39	3.41	32.8%	13.80	9.60	64.1%
Manitoba Tel	(26.0)	6.21	2.30	37.1%	8.51	6.48	
SaskTel	(39.3)	6.07	3.94	64.9%	10.01	11.10	
AGT	(94.0)	8.23	4.98	60.6%	13.21	14.04	66.6%
B.C. Tel	(113.9)	10.08	4.27	42.3%	14.35	12.02	70.2%
Total or Mean	(786.2)	9.78	3.63	37.1%	13.40	10.21	
Unweighted Average		9.06	3.66	40.4%	12.72	10.31	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 35.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(4.0)	20.30	5.36	26.4%	25.66	15.09	66.8%	4.75%
Quebec-Tel	(13.0)	20.34	6.31	31.0%	26.65	17.77		4.29%
Telebec	(7.7)	32.05	4.41	13.8%	36.46	12.44		3.79%
Northern Tel	(2.3)	23.75	3.39	14.3%	27.14	9.55		4.82%
Thunder Bay	(1.2)	10.93	0.80	7.3%	11.73	2.25		2.69%
'edmonton tel'	(9.1)	19.24	1.54	8.0%	20.77	4.33		2.54%
Prince Rupert	(0.2)	19.70	0.93	4.7%	20.63	2.63		2.97%
NorthwesTel	(5.9)	12.92	5.76	44.6%	18.68	16.22		4.80%
Total or Mean	(43.3)	19.54	2.70	13.8%	22.24	7.61		4.49%
Unweighted Average		19.90	3.56	17.9%	23.46	10.03		3.83%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(4.0)	20.30	2.55	12.6%	22.85	7.19	71.0%
Quebec-Tel	(13.0)	20.34	3.13	15.4%	23.47	8.81	
Telebec	(7.7)	32.05	2.00	6.3%	34.05	5.65	
Northern Tel	(2.3)	23.75	1.85	7.8%	25.61	5.22	
Thunder Bay	(1.2)	10.93	0.53	4.9%	11.46	1.50	
'edmonton tel'	(9.1)	19.24	1.02	5.3%	20.26	2.88	
Prince Rupert	(0.2)	19.70	0.52	2.6%	20.21	1.45	
NorthwesTel	(5.9)	12.92	4.38	33.9%	17.30	12.35	
Total or Mean	(43.3)	19.54	1.58	8.1%	21.12	4.45	
Unweighted Average		19.90	2.00	10.0%	21.90	5.63	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: STATUS QUO RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 35.50%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(4.0)	8.14	2.15	26.4%	10.29	6.05	87.3%	18.24
Quebec-Tel	(13.0)	7.64	2.37	31.0%	10.01	6.68		14.14
Telebec	(7.7)	11.13	1.53	13.8%	12.67	4.32		9.10
Northern Tel	(2.3)	8.97	1.28	14.3%	10.25	3.61		10.99
Thunder Bay	(1.2)	4.63	0.34	7.3%	4.97	0.95		5.92
'edmonton tel'	(9.1)	6.94	0.55	8.0%	7.49	1.56		5.81
Prince Rupert	(0.2)	8.52	0.40	4.7%	8.92	1.14		3.86
NorthwesTel	(5.9)	6.46	2.88	44.6%	9.34	8.11		19.49
Total or Mean	(43.3)	7.97	1.43	17.9%	9.40	4.03		10.07
Unweighted Average		7.80	1.44	18.4%	9.24	4.05		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(4.0)	8.14	2.55	31.4%	10.69	7.19	86.4%
Quebec-Tel	(13.0)	7.64	3.13	40.9%	10.77	8.81	
Telebec	(7.7)	11.13	2.00	18.0%	13.14	5.65	
Northern Tel	(2.3)	8.97	1.85	20.7%	10.83	5.22	
Thunder Bay	(1.2)	4.63	0.53	11.5%	5.17	1.50	
'edmonton tel'	(9.1)	6.94	1.02	14.7%	7.96	2.68	
Prince Rupert	(0.2)	8.52	0.52	6.0%	9.03	1.45	
NorthwesTel	(5.9)	6.46	4.38	67.8%	10.84	12.35	
Total or Mean	(43.3)	7.97	1.99	25.0%	9.96	5.60	
Unweighted Average		7.80	2.00	25.6%	9.80	5.63	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-20.0%	
			Competing rates discounted by 38.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(23.2)	37.82	15.58	41.2%	53.40	41.00		8.50%
Island Tel	(5.9)	30.36	11.03	36.3%	41.39	29.02	53.9%	9.09%
MT&T	(56.3)	25.60	13.17	51.5%	38.77	34.66	52.1%	9.42%
NBTel	(45.3)	32.22	18.30	56.8%	50.52	48.15	48.3%	9.89%
Bell	(889.8)	35.12	14.75	42.0%	49.88	38.83	63.5%	8.46%
Manitoba Tel	(51.8)	18.19	8.72	48.0%	26.91	22.96		6.58%
SaskTel	(78.4)	17.07	14.60	85.5%	31.67	38.42		9.01%
AGT	(187.4)	22.85	18.00	78.8%	40.85	47.37	49.4%	9.86%
B.C. Tel	(226.5)	34.72	18.33	52.8%	53.05	48.23	60.1%	9.98%
Total or Mean	(1,564.6)	31.64	15.20	48.1%	46.84	40.01		8.82%
Unweighted Average		28.22	14.72	52.2%	42.94	38.74		8.98%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(23.2)	37.82	7.94	21.0%	45.76	20.90	
Island Tel	(5.9)	30.36	5.33	17.6%	35.69	14.02	63.9%
MT&T	(56.3)	25.60	6.95	27.2%	32.55	18.29	61.2%
NBTel	(45.3)	32.22	7.69	23.9%	39.92	20.24	67.3%
Bell	(889.8)	35.12	6.78	19.3%	41.90	17.84	76.5%
Manitoba Tel	(51.8)	18.19	4.58	25.2%	22.77	12.06	
SaskTel	(78.4)	17.07	7.86	46.0%	24.93	20.68	
AGT	(187.4)	22.85	9.93	43.5%	32.79	26.14	63.4%
B.C. Tel	(226.5)	34.72	8.48	24.4%	43.21	22.33	74.0%
Total or Mean	(1,564.6)	31.64	7.28	23.0%	38.92	19.15	
Unweighted Average		28.22	7.28	25.8%	35.50	19.17	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-20.0%	
			Competing rates discounted by 38.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(23.2)	11.39	4.69	41.2%	16.08	12.35		14.92
Island Tel	(5.9)	10.13	3.68	36.3%	13.81	9.68	67.6%	12.40
MT&T	(56.3)	9.89	5.09	51.5%	14.98	13.39	63.3%	15.08
NBTel	(45.3)	9.12	5.18	56.8%	14.30	13.63	56.3%	11.53
Bell	(889.8)	10.39	4.37	42.0%	14.76	11.49	59.4%	10.50
Manitoba Tel	(51.8)	6.21	2.98	48.0%	9.18	7.83		7.75
SaskTel	(78.4)	6.07	5.19	85.5%	11.26	13.66		12.03
AGT	(187.4)	8.23	6.48	78.8%	14.71	17.05	62.9%	17.03
B.C. Tel	(226.5)	10.08	5.32	52.8%	15.41	14.01	67.3%	13.99
Total or Mean	(1,564.6)	9.78	4.66	47.7%	14.44	12.27		10.89
Unweighted Average		9.06	4.77	52.7%	13.83	12.57		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(23.2)	11.39	7.94	69.7%	19.33	20.90	
Island Tel	(5.9)	10.13	5.33	52.6%	15.46	14.02	61.0%
MT&T	(56.3)	9.89	6.95	70.3%	16.84	18.29	54.7%
NBTel	(45.3)	9.12	7.69	84.3%	16.81	20.24	43.4%
Bell	(889.8)	10.39	6.78	65.2%	17.17	17.84	45.3%
Manitoba Tel	(51.8)	6.21	4.58	73.8%	10.79	12.06	
SaskTel	(78.4)	6.07	7.86	129.5%	13.93	20.68	
AGT	(187.4)	8.23	9.93	120.7%	18.16	26.14	53.4%
B.C. Tel	(226.5)	10.08	8.48	84.1%	18.57	22.33	56.0%
Total or Mean	(1,564.6)	9.78	7.21	73.8%	16.99	18.98	
Unweighted Average		9.06	7.28	80.4%	16.34	19.17	

INPUTS:			
	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	STATUS QUO RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-20.0%	
			Competing rates discounted by 38.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	--------- BUSINESS --------- MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(7.9)	20.30	10.67	52.6%	30.97	28.09	59.0%	9.70%
Quebec-Tel	(25.9)	20.34	12.57	61.8%	32.91	33.09		8.70%
Telebec	(15.3)	32.05	8.79	27.4%	40.83	23.13		7.68%
Northern Tel	(4.7)	23.75	6.78	28.5%	30.53	17.84		9.64%
Thunder Bay	(2.3)	10.93	1.60	14.6%	12.53	4.20		5.38%
'edmonton tel'	(18.3)	19.24	3.08	16.0%	22.32	8.11		5.12%
Prince Rupert	(0.3)	19.70	1.87	9.5%	21.57	4.92		5.95%
NorthwesTel	(11.8)	12.92	11.45	88.6%	24.37	30.13		9.81%
Total or Mean	(86.4)	19.54	5.39	27.6%	24.94	14.19		9.07%
Unweighted Average		19.90	7.10	35.7%	27.00	18.69		7.75%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(7.9)	20.30	5.08	25.0%	25.38	13.38	66.8%
Quebec-Tel	(25.9)	20.34	6.23	30.6%	26.57	16.40	
Telebec	(15.3)	32.05	3.99	12.5%	36.04	10.50	
Northern Tel	(4.7)	23.75	3.71	15.6%	27.46	9.75	
Thunder Bay	(2.3)	10.93	1.07	9.7%	11.99	2.80	
'edmonton tel'	(18.3)	19.24	2.05	10.6%	21.28	5.39	
Prince Rupert	(0.3)	19.70	1.03	5.2%	20.73	2.71	
NorthwesTel	(11.8)	12.92	8.72	67.5%	21.64	22.94	
Total or Mean	(86.4)	19.54	3.16	16.2%	22.70	8.31	
Unweighted Average		19.90	3.98	20.0%	23.89	10.48	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers:	RESELLER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	STATUS QUO RATES	
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
Market Lost to Competition:	-20.0%	Competing rates discounted by 38.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(7.9)	8.14	4.28	52.6%	12.42	11.26	80.5%	17.71
Quebec-Tel	(25.9)	7.64	4.72	61.8%	12.37	12.43		13.73
Telebec	(15.3)	11.13	3.05	27.4%	14.19	8.03		8.83
Northern Tel	(4.7)	8.97	2.56	28.5%	11.53	6.74		10.71
Thunder Bay	(2.3)	4.63	0.68	14.6%	5.31	1.78		5.77
'edmonton tel'	(18.3)	6.94	1.11	16.0%	8.05	2.93		5.68
Prince Rupert	(0.3)	8.52	0.81	9.5%	9.32	2.12		3.76
NorthwesTel	(11.8)	6.46	5.72	88.6%	12.18	15.06		18.69
Total or Mean	(86.4)	7.97	2.85	35.8%	10.82	7.51		9.79
Unweighted Average		7.80	2.87	36.7%	10.67	7.55		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(7.9)	8.14	5.08	62.5%	13.23	13.38	77.7%
Quebec-Tel	(25.9)	7.64	6.23	81.6%	13.87	16.40	
Telebec	(15.3)	11.13	3.99	35.8%	15.12	10.50	
Northern Tel	(4.7)	8.97	3.71	41.3%	12.68	9.75	
Thunder Bay	(2.3)	4.63	1.07	23.0%	5.70	2.80	
'edmonton tel'	(18.3)	6.94	2.05	29.5%	8.99	5.39	
Prince Rupert	(0.3)	8.52	1.03	12.1%	9.54	2.71	
NorthwesTel	(11.8)	6.46	8.72	134.9%	15.18	22.94	
Total or Mean	(85.4)	7.97	3.97	49.8%	11.94	10.45	
Unweighted Average		7.80	3.98	51.0%	11.79	10.48	

REBALANCED RATES

Bell/B.C.Tel Only

R(B)

2. REBALANCED RATES

Bell/B.C.Tel Only R(B)

SEQUENCE OF TABLES

0% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

10% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

25% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

Maximum rate discount by Competitor
(no contribution payment)
    10% market loss by Telcos
    20% market loss by Telcos

For explanation of Tables, see Pages III-1 to III-7 of the Final Report

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Productivity Improvement: 0.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
			($)	(%)				
Nfld Tel	(0.0)	50.71	0.00	0.0%	50.71	NA		0.00%
Island Tel	0.0	42.98	0.00	0.0%	42.98	NA	NA	0.00%
MT&T	0.0	39.69	0.00	0.0%	39.69	NA	NA	0.00%
NBTel	(0.0)	54.14	0.00	0.0%	54.14	NA	NA	0.00%
Bell	0.0	51.57	0.00	0.0%	51.57	NA	NA	0.00%
Manitoba Tel	0.0	30.40	0.00	0.0%	30.40	NA		0.00%
SaskTel	(0.0)	32.67	0.00	0.0%	32.67	NA		0.00%
AGT	(0.0)	42.59	0.00	0.0%	42.59	NA	NA	0.00%
B.C. Tel	0.0	58.08	0.00	0.0%	58.08	NA	NA	0.00%
Total or Mean	0.0	48.96	0.00	0.0%	48.96	NA		0.00%
Unweighted Average		44.76	0.00	0.0%	44.76	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

Nfld Tel	(0.0)	50.71	0.00	0.0%	50.71	NA	
Island Tel	0.0	42.98	0.00	0.0%	42.98	NA	NA
MT&T	0.0	39.69	0.00	0.0%	39.69	NA	NA
NBTel	(0.0)	54.14	0.00	0.0%	54.14	NA	NA
Bell	0.0	51.57	0.00	0.0%	51.57	NA	NA
Manitoba Tel	0.0	30.40	0.00	0.0%	30.40	NA	
SaskTel	(0.0)	32.67	0.00	0.0%	32.67	NA	
AGT	(0.0)	42.59	0.00	0.0%	42.59	NA	NA
B.C. Tel	0.0	58.08	0.00	0.0%	58.08	NA	NA
Total or Mean	0.0	48.96	0.00	0.0%	48.96	NA	
Unweighted Average		44.76	0.00	0.0%	44.76	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Productivity Improvement: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(0.0)	15.27	0.00	0.0%	15.27	NA		NA
Island Tel	0.0	14.34	0.00	0.0%	14.34	NA	NA	NA
MT&T	0.0	15.33	0.00	0.0%	15.33	NA	NA	NA
NBTel	(0.0)	15.32	0.00	0.0%	15.32	NA	NA	NA
Bell	0.0	15.26	0.00	0.0%	15.26	NA	NA	NA
Manitoba Tel	0.0	10.37	0.00	0.0%	10.37	NA		NA
SaskTel	(0.0)	11.62	0.00	0.0%	11.62	NA		NA
AGT	(0.0)	15.33	0.00	0.0%	15.33	NA	NA	NA
B.C. Tel	0.0	16.86	0.00	0.0%	16.86	NA	NA	NA
Total or Mean	0.0	15.09	0.00	0.0%	15.09	NA		NA
Unweighted Average		14.41	0.00	0.0%	14.41	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(0.0)	15.27	0.00	0.0%	15.27	NA	
Island Tel	0.0	14.34	0.00	0.0%	14.34	NA	NA
MT&T	0.0	15.33	0.00	0.0%	15.33	NA	NA
NBTel	(0.0)	15.32	0.00	0.0%	15.32	NA	NA
Bell	0.0	15.26	0.00	0.0%	15.26	NA	NA
Manitoba Tel	0.0	10.37	0.00	0.0%	10.37	NA	
SaskTel	(0.0)	11.62	0.00	0.0%	11.62	NA	
AGT	(0.0)	15.33	0.00	0.0%	15.33	NA	NA
B.C. Tel	0.0	16.86	0.00	0.0%	16.86	NA	NA
Total or Mean	0.0	15.09	0.00	0.0%	15.09	NA	
Unweighted Average		14.41	0.00	0.0%	14.41	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 4.90 cts/min 15.3% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.9)	50.71	1.24	2.5%	51.95	NA		0.62%
Island Tel	(0.6)	42.98	1.08	2.5%	44.06	NA	NA	0.80%
MT&T	(4.6)	39.69	1.07	2.7%	40.76	NA	NA	0.69%
NBTel	(3.2)	54.14	1.30	2.4%	55.44	NA	NA	0.64%
Bell	(108.5)	51.57	1.80	3.5%	53.37	NA	NA	0.97%
Manitoba Tel	(5.3)	30.40	0.89	2.9%	31.29	NA		0.61%
SaskTel	(6.4)	32.67	1.18	3.6%	33.86	NA		0.67%
AGT	(16.2)	42.59	1.55	3.6%	44.15	NA	NA	0.77%
B.C. Tel	(38.1)	58.08	3.08	5.3%	61.16	NA	NA	1.55%
Total or Mean	(184.7)	48.96	1.81	3.7%	50.77	NA		0.97%
Unweighted Average		44.76	1.47	3.3%	46.23	NA		0.81%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(1.9)	50.71	0.63	1.3%	51.34	NA	
Island Tel	(0.6)	42.98	0.52	1.2%	43.50	NA	NA
MT&T	(4.6)	39.69	0.57	1.4%	40.26	NA	NA
NBTel	(3.2)	54.14	0.55	1.0%	54.69	NA	NA
Bell	(108.5)	51.57	0.83	1.6%	52.40	NA	NA
Manitoba Tel	(5.3)	30.40	0.47	1.5%	30.87	NA	
SaskTel	(6.4)	32.67	0.64	1.9%	33.31	NA	
AGT	(16.2)	42.59	0.86	2.0%	43.45	NA	NA
B.C. Tel	(38.1)	58.08	1.43	2.5%	59.51	NA	NA
Total or Mean	(184.7)	48.96	0.86	1.8%	49.82	NA	
Unweighted Average		44.76	0.72	1.6%	45.48	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 4.90 cts/min 15.3% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(1.9)	15.27	0.37	2.5%	15.64	NA		NA
Island Tel	(0.6)	14.34	0.36	2.5%	14.70	NA	NA	NA
MT&T	(4.6)	15.33	0.41	2.7%	15.75	NA	NA	NA
NBTel	(3.2)	15.32	0.37	2.4%	15.69	NA	NA	NA
Bell	(108.5)	15.26	0.53	3.5%	15.79	NA	NA	8.20
Manitoba Tel	(5.3)	10.37	0.30	2.9%	10.68	NA		NA
SaskTel	(6.4)	11.62	0.42	3.6%	12.04	NA		NA
AGT	(16.2)	15.33	0.56	3.6%	15.89	NA	NA	NA
B.C. Tel	(38.1)	16.86	0.90	5.3%	17.76	NA	NA	13.04
Total or Mean	(184.7)	15.09	0.55	3.7%	15.64	NA		9.67
Unweighted Average		14.41	0.47	3.3%	14.88	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(1.9)	15.27	0.63	4.2%	15.90	NA	
Island Tel	(0.6)	14.34	0.52	3.6%	14.86	NA	NA
MT&T	(4.6)	15.33	0.57	3.7%	15.90	NA	NA
NBTel	(3.2)	15.32	0.55	3.6%	15.87	NA	NA
Bell	(108.5)	15.26	0.83	5.4%	16.08	NA	NA
Manitoba Tel	(5.3)	10.37	0.47	4.5%	10.84	NA	
SaskTel	(6.4)	11.62	0.64	5.5%	12.25	NA	
AGT	(16.2)	15.33	0.86	5.6%	16.19	NA	NA
B.C. Tel	(38.1)	16.86	1.43	8.5%	18.29	NA	NA
Total or Mean	(184.7)	15.09	0.86	5.7%	15.95	NA	
Unweighted Average		14.41	0.72	5.0%	15.13	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	RESELLER		
Geographic Areas of Competition:	Bell-B.C.Tel Only		
Rate Structure:	REBALANCED RATES		
Contribution Charge:	5.50 cts/min	17.1% of Telco rate.	
Market Lost to Competition:	-20.0%		
Productivity Improvement:	0.0%	Competing rates discounted by	0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.7)	50.71	2.47	4.9%	53.18	NA		1.23%
Island Tel	(1.2)	42.98	2.14	5.0%	45.12	NA	NA	1.59%
MT&T	(9.1)	39.69	2.13	5.4%	41.82	NA	NA	1.38%
NBTel	(6.5)	54.14	2.61	4.8%	56.76	NA	NA	1.30%
Bell	(173.4)	51.57	2.88	5.6%	54.44	NA	NA	1.59%
Manitoba Tel	(10.5)	30.40	1.77	5.8%	32.17	NA		1.21%
SaskTel	(12.6)	32.67	2.34	7.2%	35.01	NA		1.32%
AGT	(32.1)	42.59	3.08	7.2%	45.68	NA	NA	1.53%
B.C. Tel	(71.5)	58.08	5.78	10.0%	63.86	NA	NA	2.96%
Total or Mean	(320.4)	48.96	3.14	6.4%	52.10	NA		1.71%
Unweighted Average		44.76	2.80	6.3%	47.56	NA		1.57%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(3.7)	50.71	1.26	2.5%	51.97	NA	
Island Tel	(1.2)	42.98	1.03	2.4%	44.02	NA	NA
MT&T	(9.1)	39.69	1.12	2.8%	40.82	NA	NA
NBTel	(6.5)	54.14	1.10	2.0%	55.24	NA	NA
Bell	(173.4)	51.57	1.32	2.6%	52.89	NA	NA
Manitoba Tel	(10.5)	30.40	0.93	3.1%	31.33	NA	
SaskTel	(12.6)	32.67	1.26	3.9%	33.93	NA	
AGT	(32.1)	42.59	1.70	4.0%	44.30	NA	NA
B.C. Tel	(71.5)	58.08	2.68	4.6%	60.76	NA	NA
Total or Mean	(320.4)	48.96	1.49	3.1%	50.46	NA	
Unweighted Average		44.76	1.38	3.1%	46.14	NA	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 5.50 cts/min 17.1% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(3.7)	15.27	0.74	4.9%	16.01	NA		NA
Island Tel	(1.2)	14.34	0.71	5.0%	15.06	NA	NA	NA
MT&T	(9.1)	15.33	0.82	5.4%	16.15	NA	NA	NA
NBTel	(6.5)	15.32	0.74	4.8%	16.06	NA	NA	NA
Bell	(173.4)	15.26	0.85	5.6%	16.11	NA	NA	8.14
Manitoba Tel	(10.5)	10.37	0.60	5.8%	10.98	NA		NA
SaskTel	(12.6)	11.62	0.83	7.2%	12.45	NA		NA
AGT	(32.1)	15.33	1.11	7.2%	16.44	NA	NA	NA
B.C. Tel	(71.5)	16.86	1.68	10.0%	18.54	NA	NA	13.29
Total or Mean	(320.4)	15.09	0.96	6.3%	16.05	NA		9.64
Unweighted Average		14.41	0.90	6.2%	15.31	NA		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

Nfld Tel	(3.7)	15.27	1.26	8.3%	16.53	NA	
Island Tel	(1.2)	14.34	1.03	7.2%	15.38	NA	NA
MT&T	(9.1)	15.33	1.12	7.3%	16.46	NA	NA
NBTel	(6.5)	15.32	1.10	7.2%	16.42	NA	NA
Bell	(173.4)	15.26	1.32	8.7%	16.58	NA	NA
Manitoba Tel	(10.5)	10.37	0.93	9.0%	11.30	NA	
SaskTel	(12.6)	11.62	1.26	10.8%	12.88	NA	
AGT	(32.1)	15.33	1.70	11.1%	17.04	NA	NA
B.C. Tel	(71.5)	16.86	2.68	15.9%	19.54	NA	NA
Total or Mean	(320.4)	15.09	1.49	9.9%	16.58	NA	
Unweighted Average		14.41	1.38	9.6%	15.79	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	RESELLER		
Geographic Areas of Competition:	Bell-B.C.Tel Only		
Rate Structure:	REBALANCED RATES		
Contribution Charge:	3.45 cts/min	10.8% of Telco rate.	
Market Lost to Competition:	-10.0%		
Productivity Improvement:	0.0%	Competing rates discounted by	10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.9)	50.71	1.24	2.5%	51.95	12.45		0.62%
Island Tel	(0.6)	42.98	1.08	2.5%	44.06	10.76	66.8%	0.80%
MT&T	(4.6)	39.69	1.07	2.7%	40.76	10.72	66.9%	0.69%
NBTel	(3.2)	54.14	1.30	2.4%	55.44	12.98	75.0%	0.64%
Bell	(147.8)	51.57	2.45	4.8%	54.02	24.51	71.8%	1.33%
Manitoba Tel	(5.3)	30.40	0.89	2.9%	31.29	8.89		0.61%
SaskTel	(6.4)	32.67	1.18	3.6%	33.86	11.83		0.67%
AGT	(16.2)	42.59	1.55	3.6%	44.15	15.54	73.1%	0.77%
B.C. Tel	(44.1)	58.08	3.57	6.1%	61.65	35.70	66.1%	1.79%
Total or Mean	(230.0)	48.96	2.26	4.6%	51.22	22.58		1.21%
Unweighted Average		44.76	1.59	3.6%	46.35	15.93		0.88%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

Nfld Tel	(1.9)	50.71	0.63	1.3%	51.34	6.34	
Island Tel	(0.6)	42.98	0.52	1.2%	43.50	5.20	72.5%
MT&T	(4.6)	39.69	0.57	1.4%	40.26	5.66	71.6%
NBTel	(3.2)	54.14	0.55	1.0%	54.69	5.46	85.0%
Bell	(147.8)	51.57	1.13	2.2%	52.69	11.26	81.7%
Manitoba Tel	(5.3)	30.40	0.47	1.5%	30.87	4.67	
SaskTel	(6.4)	32.67	0.64	1.9%	33.31	6.37	
AGT	(16.2)	42.59	0.86	2.0%	43.45	8.57	80.8%
B.C. Tel	(44.1)	58.08	1.65	2.8%	59.73	16.53	78.1%
Total or Mean	(230.0)	48.96	1.06	2.2%	50.03	10.64	
Unweighted Average		44.76	0.78	1.7%	45.54	7.78	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	3.45 cts/min	10.8% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(1.9)	15.27	0.37	2.5%	15.64	3.75		NA
Island Tel	(0.6)	14.34	0.36	2.5%	14.70	3.59	78.2%	NA
MT&T	(4.6)	15.33	0.41	2.7%	15.75	4.14	79.8%	NA
NBTel	(3.2)	15.32	0.37	2.4%	15.69	3.67	82.1%	NA
Bell	(147.8)	15.26	0.73	4.8%	15.98	7.25	70.0%	7.65
Manitoba Tel	(5.3)	10.37	0.30	2.9%	10.68	3.03		NA
SaskTel	(6.4)	11.62	0.42	3.6%	12.04	4.21		NA
AGT	(16.2)	15.33	0.56	3.6%	15.89	5.59	78.2%	NA
B.C. Tel	(44.1)	16.86	1.04	6.1%	17.90	10.37	72.6%	12.25
Total or Mean	(230.0)	15.09	0.69	4.6%	15.78	6.93		9.00
Unweighted Average		14.41	0.51	3.5%	14.92	5.07		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(1.9)	15.27	0.63	4.2%	15.90	6.34	
Island Tel	(0.6)	14.34	0.52	3.6%	14.86	5.20	75.3%
MT&T	(4.6)	15.33	0.57	3.7%	15.90	5.66	77.4%
NBTel	(3.2)	15.32	0.55	3.6%	15.87	5.46	77.4%
Bell	(147.8)	15.26	1.13	7.4%	16.38	11.26	60.0%
Manitoba Tel	(5.3)	10.37	0.47	4.5%	10.84	4.67	
SaskTel	(6.4)	11.62	0.64	5.5%	12.25	6.37	
AGT	(16.2)	15.33	0.86	5.6%	16.19	8.57	73.9%
B.C. Tel	(44.1)	16.86	1.65	9.8%	18.52	16.53	63.8%
Total or Mean	(230.0)	15.09	1.08	7.1%	16.17	10.78	
Unweighted Average		14.41	0.78	5.4%	15.19	7.78	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 4.00 cts/min 12.4% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0%
Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.7)	50.71	2.47	4.9%	53.18	24.74		1.23%
Island Tel	(1.2)	42.98	2.14	5.0%	45.12	21.40	58.5%	1.59%
MT&T	(9.1)	39.69	2.13	5.4%	41.82	21.31	59.2%	1.38%
NBTel	(6.5)	54.14	2.61	4.8%	56.76	26.13	62.2%	1.30%
Bell	(253.2)	51.57	4.20	8.1%	55.77	41.98	61.9%	2.32%
Manitoba Tel	(10.5)	30.40	1.77	5.8%	32.17	17.68		1.21%
SaskTel	(12.6)	32.67	2.34	7.2%	35.01	23.40		1.32%
AGT	(32.1)	42.59	3.08	7.2%	45.68	30.83	59.7%	1.53%
B.C. Tel	(83.2)	58.08	6.73	11.6%	64.81	67.29	52.8%	3.44%
Total or Mean	(411.9)	48.96	4.04	8.3%	53.00	40.41		2.19%
Unweighted Average		44.76	3.05	6.8%	47.81	30.53		1.70%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(3.7)	50.71	1.26	2.5%	51.97	12.61	
Island Tel	(1.2)	42.98	1.03	2.4%	44.02	10.34	67.2%
MT&T	(9.1)	39.69	1.12	2.8%	40.82	11.25	66.5%
NBTel	(6.5)	54.14	1.10	2.0%	55.24	10.98	77.4%
Bell	(253.2)	51.57	1.93	3.7%	53.50	19.29	75.4%
Manitoba Tel	(10.5)	30.40	0.93	3.1%	31.33	9.29	
SaskTel	(12.6)	32.67	1.26	3.9%	33.93	12.60	
AGT	(32.1)	42.59	1.70	4.0%	44.30	17.01	71.6%
B.C. Tel	(83.2)	58.08	3.12	5.4%	61.19	31.15	68.6%
Total or Mean	(411.9)	48.96	1.91	3.9%	50.87	19.09	
Unweighted Average		44.76	1.49	3.3%	46.26	14.95	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	Bell-B.C.Tel Only	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	4.00 cts/min	12.4% of Telco rate.
	Market Lost to Competition:	-20.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(3.7)	15.27	0.74	4.9%	16.01	7.45		NA
Island Tel	(1.2)	14.34	0.71	5.0%	15.06	7.14	71.9%	NA
MT&T	(9.1)	15.33	0.82	5.4%	16.15	8.23	72.9%	NA
NBTel	(6.5)	15.32	0.74	4.8%	16.06	7.39	72.1%	NA
Bell	(253.2)	15.26	1.24	8.1%	16.50	12.42	57.1%	7.60
Manitoba Tel	(10.5)	10.37	0.60	5.8%	10.98	6.03		NA
SaskTel	(12.6)	11.62	0.83	7.2%	12.45	8.32		NA
AGT	(32.1)	15.33	1.11	7.2%	16.44	11.10	70.4%	NA
B.C. Tel	(83.2)	16.86	1.95	11.6%	18.82	19.54	59.6%	12.46
Total or Mean	(411.9)	15.09	1.24	8.2%	16.33	12.39		8.97
Unweighted Average		14.41	0.97	6.8%	15.39	9.74		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(3.7)	15.27	1.26	8.3%	16.53	12.61	
Island Tel	(1.2)	14.34	1.03	7.2%	15.38	10.34	66.5%
MT&T	(9.1)	15.33	1.12	7.3%	16.46	11.25	67.3%
NBTel	(6.5)	15.32	1.10	7.2%	16.42	10.98	62.6%
Bell	(253.2)	15.26	1.93	12.6%	17.19	19.29	42.6%
Manitoba Tel	(10.5)	10.37	0.93	9.0%	11.30	9.29	
SaskTel	(12.6)	11.62	1.26	10.8%	12.88	12.60	
AGT	(32.1)	15.33	1.70	11.1%	17.04	17.01	63.0%
B.C. Tel	(83.2)	16.86	3.12	18.5%	19.98	31.15	46.0%
Total or Mean	(411.9)	15.09	1.93	12.8%	17.01	19.25	
Unweighted Average		14.41	1.49	10.4%	15.91	14.95	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	RESELLER	
Geographic Areas of Competition:	Bell-B.C.Tel Only	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	1.30 cts/min	4.1% of Telco rate.
Market Lost to Competition:	-10.0%	
Productivity Improvement:	0.0%	Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(1.9)	50.71	1.24	2.5%	51.95	4.98		0.62%
Island Tel	(0.6)	42.98	1.08	2.5%	44.06	4.31	73.6%	0.80%
MT&T	(4.6)	39.69	1.07	2.7%	40.76	4.29	73.1%	0.69%
NBTel	(3.2)	54.14	1.30	2.4%	55.44	5.19	85.5%	0.64%
Bell	(217.1)	51.57	3.60	7.0%	55.17	14.40	79.1%	1.95%
Manitoba Tel	(5.3)	30.40	0.89	2.9%	31.29	3.56		0.61%
SaskTel	(6.4)	32.67	1.18	3.6%	33.86	4.73		0.67%
AGT	(16.2)	42.59	1.55	3.6%	44.15	6.22	83.6%	0.77%
B.C. Tel	(54.7)	58.08	4.43	7.6%	62.51	17.72	77.2%	2.22%
Total or Mean	(309.9)	48.96	3.05	6.2%	52.01	12.19		1.63%
Unweighted Average		44.76	1.82	4.1%	46.58	7.27		1.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(1.9)	50.71	0.63	1.3%	51.34	2.54	
Island Tel	(0.6)	42.98	0.52	1.2%	43.50	2.08	76.5%
MT&T	(4.6)	39.69	0.57	1.4%	40.26	2.26	75.5%
NBTel	(3.2)	54.14	0.55	1.0%	54.69	2.18	90.3%
Bell	(217.1)	51.57	1.65	3.2%	53.22	6.62	85.8%
Manitoba Tel	(5.3)	30.40	0.47	1.5%	30.87	1.87	
SaskTel	(6.4)	32.67	0.64	1.9%	33.31	2.55	
AGT	(16.2)	42.59	0.86	2.0%	43.45	3.43	87.1%
B.C. Tel	(54.7)	58.08	2.05	3.5%	60.13	8.20	84.7%
Total or Mean	(309.9)	48.96	1.43	2.9%	50.39	5.71	
Unweighted Average		44.76	0.88	2.0%	45.64	3.53	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 1.30 cts/min 4.1% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(1.9)	15.27	0.37	2.5%	15.64	1.50		NA
Island Tel	(0.6)	14.34	0.36	2.5%	14.70	1.44	81.9%	NA
MT&T	(4.6)	15.33	0.41	2.7%	15.75	1.66	82.8%	NA
NBTel	(3.2)	15.32	0.37	2.4%	15.69	1.47	87.0%	NA
Bell	(217.1)	15.26	1.07	7.0%	16.32	4.26	76.8%	6.78
Manitoba Tel	(5.3)	10.37	0.30	2.9%	10.68	1.21		NA
SaskTel	(6.4)	11.62	0.42	3.6%	12.04	1.68		NA
AGT	(16.2)	15.33	0.56	3.6%	15.89	2.24	83.0%	NA
B.C. Tel	(54.7)	16.86	1.29	7.6%	18.15	5.15	79.8%	11.00
Total or Mean	(309.9)	15.09	0.94	6.2%	16.03	3.76		7.94
Unweighted Average		14.41	0.57	4.0%	14.98	2.29		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(1.9)	15.27	0.63	4.2%	15.90	2.54	
Island Tel	(0.6)	14.34	0.52	3.6%	14.86	2.08	80.8%
MT&T	(4.6)	15.33	0.57	3.7%	15.90	2.26	82.2%
NBTel	(3.2)	15.32	0.55	3.6%	15.87	2.18	85.6%
Bell	(217.1)	15.26	1.65	10.8%	16.91	6.62	71.5%
Manitoba Tel	(5.3)	10.37	0.47	4.5%	10.84	1.87	
SaskTel	(6.4)	11.62	0.64	5.5%	12.25	2.55	
AGT	(16.2)	15.33	0.86	5.6%	16.19	3.43	81.3%
B.C. Tel	(54.7)	16.86	2.05	12.2%	18.92	8.20	75.7%
Total or Mean	(309.9)	15.09	1.46	9.7%	16.55	5.84	
Unweighted Average		14.41	0.88	6.1%	15.29	3.53	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	RESELLER
	Geographic Areas of Competition:	Bell-B.C.Tel Only
	Rate Structure:	REBALANCED RATES
	Contribution Charge:	1.80 cts/min 5.6% of Telco rate.
	Market Lost to Competition:	-20.0%
	Productivity Improvement:	0.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.7)	50.71	2.47	4.9%	53.18	9.90		1.23%
Island Tel	(1.2)	42.98	2.14	5.0%	45.12	8.56	68.9%	1.59%
MT&T	(9.1)	39.69	2.13	5.4%	41.82	8.53	68.8%	1.38%
NBTel	(6.5)	54.14	2.61	4.8%	56.76	10.45	78.1%	1.30%
Bell	(391.7)	51.57	6.49	12.6%	58.06	25.98	70.9%	3.58%
Manitoba Tel	(10.5)	30.40	1.77	5.8%	32.17	7.07		1.21%
SaskTel	(12.6)	32.67	2.34	7.2%	35.01	9.36		1.32%
AGT	(32.1)	42.59	3.08	7.2%	45.67	12.33	76.5%	1.53%
B.C. Tel	(103.5)	58.08	8.37	14.4%	66.45	33.49	67.3%	4.28%
Total or Mean	(570.7)	48.96	5.61	11.5%	54.57	22.44		3.04%
Unweighted Average		44.76	3.49	7.8%	48.25	13.96		1.94%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(3.7)	50.71	1.26	2.5%	51.97	5.04	
Island Tel	(1.2)	42.98	1.03	2.4%	44.02	4.14	73.8%
MT&T	(9.1)	39.69	1.12	2.8%	40.82	4.50	72.9%
NBTel	(6.5)	54.14	1.10	2.0%	55.24	4.39	86.7%
Bell	(391.7)	51.57	2.98	5.8%	54.55	11.94	81.1%
Manitoba Tel	(10.5)	30.40	0.93	3.1%	31.33	3.71	
SaskTel	(12.6)	32.67	1.26	3.9%	33.93	5.04	
AGT	(32.1)	42.59	1.70	4.0%	44.30	6.80	82.9%
B.C. Tel	(103.5)	58.08	3.88	6.7%	61.95	15.50	78.8%
Total or Mean	(570.7)	48.96	2.63	5.4%	51.59	10.52	
Unweighted Average		44.76	1.70	3.8%	46.46	6.79	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 1.80 cts/min 5.6% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.7)	15.27	0.74	4.9%	16.01	2.98		NA
Island Tel	(1.2)	14.34	0.71	5.0%	15.06	2.86	79.5%	NA
MT&T	(9.1)	15.33	0.82	5.4%	16.15	3.29	80.9%	NA
NBTel	(6.5)	15.32	0.74	4.8%	16.06	2.96	83.9%	NA
Bell	(391.7)	15.26	1.92	12.6%	17.18	7.69	68.9%	6.75
Manitoba Tel	(10.5)	10.37	0.60	5.8%	10.98	2.41		NA
SaskTel	(12.6)	11.62	0.83	7.2%	12.45	3.33		NA
AGT	(32.1)	15.33	1.11	7.2%	16.44	4.44	79.9%	NA
B.C. Tel	(103.5)	16.86	2.43	14.4%	19.30	9.73	73.6%	11.15
Total or Mean	(570.7)	15.09	1.73	11.5%	16.82	6.91		7.92
Unweighted Average		14.41	1.10	7.6%	15.51	4.41		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(3.7)	15.27	1.26	8.3%	16.53	5.04	
Island Tel	(1.2)	14.34	1.03	7.2%	15.38	4.14	77.2%
MT&T	(9.1)	15.33	1.12	7.3%	16.46	4.50	79.2%
NBTel	(6.5)	15.32	1.10	7.2%	16.42	4.39	80.3%
Bell	(391.7)	15.26	2.98	19.6%	18.24	11.94	58.3%
Manitoba Tel	(10.5)	10.37	0.93	9.0%	11.30	3.71	
SaskTel	(12.6)	11.62	1.26	10.8%	12.88	5.04	
AGT	(32.1)	15.33	1.70	11.1%	17.04	6.80	76.4%
B.C. Tel	(103.5)	16.86	3.88	23.0%	20.74	15.50	65.2%
Total or Mean	(570.7)	15.09	2.69	17.8%	17.78	10.75	
Unweighted Average		14.41	1.70	11.8%	16.11	6.79	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	RESELLER	
Geographic Areas of Competition:	Bell-B.C.Tel Only	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
Market Lost to Competition:	-10.0%	
Productivity Improvement:	0.0%	Competing rates discounted by 34.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS				BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
		BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)			
Nfld Tel	(1.9)	50.71	1.24	2.5%	51.95	3.66		0.62%
Island Tel	(0.6)	42.98	1.08	2.5%	44.06	3.17	75.1%	0.80%
MT&T	(4.6)	39.69	1.07	2.7%	40.76	3.15	74.4%	0.69%
NBTel	(3.2)	54.14	1.30	2.4%	55.44	3.82	87.6%	0.64%
Bell	(268.2)	51.57	4.45	8.6%	56.02	13.08	80.2%	2.41%
Manitoba Tel	(5.3)	30.40	0.89	2.9%	31.29	2.62		0.61%
SaskTel	(6.4)	32.67	1.18	3.6%	33.86	3.48		0.67%
AGT	(16.2)	42.59	1.55	3.6%	44.15	4.57	85.7%	0.77%
B.C. Tel	(62.6)	58.08	5.06	8.7%	63.14	14.89	79.3%	2.54%
Total or Mean	(368.8)	48.96	3.63	7.4%	52.59	10.68		1.94%
Unweighted Average		44.76	1.98	4.4%	46.74	5.83		1.08%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(1.9)	50.71	0.63	1.3%	51.34	1.87	
Island Tel	(0.6)	42.98	0.52	1.2%	43.50	1.53	77.3%
MT&T	(4.6)	39.69	0.57	1.4%	40.26	1.66	76.3%
NBTel	(3.2)	54.14	0.55	1.0%	54.69	1.60	91.3%
Bell	(268.2)	51.57	2.04	4.0%	53.61	6.01	86.4%
Manitoba Tel	(5.3)	30.40	0.47	1.5%	30.87	1.37	
SaskTel	(6.4)	32.67	0.64	1.9%	33.31	1.87	
AGT	(16.2)	42.59	0.86	2.0%	43.45	2.52	88.2%
B.C. Tel	(62.6)	58.08	2.34	4.0%	60.42	6.89	85.9%
Total or Mean	(368.8)	48.96	1.69	3.5%	50.66	4.98	
Unweighted Average		44.76	0.96	2.1%	45.72	2.82	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 34.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(1.9)	15.27	0.37	2.5%	15.64	1.10		NA
Island Tel	(0.6)	14.34	0.36	2.5%	14.70	1.06	82.5%	NA
MT&T	(4.6)	15.33	0.41	2.7%	15.75	1.22	83.1%	NA
NBTel	(3.2)	15.32	0.37	2.4%	15.69	1.08	87.6%	NA
Bell	(268.2)	15.26	1.32	8.6%	16.57	3.87	77.6%	6.23
Manitoba Tel	(5.3)	10.37	0.30	2.9%	10.68	0.89		NA
SaskTel	(6.4)	11.62	0.42	3.6%	12.04	1.24		NA
AGT	(16.2)	15.33	0.56	3.6%	15.89	1.65	83.8%	NA
B.C. Tel	(62.6)	16.86	1.47	8.7%	18.34	4.32	80.7%	10.20
Total or Mean	(368.8)	15.09	1.12	7.4%	16.21	3.30		7.27
Unweighted Average		14.41	0.62	4.3%	15.03	1.83		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

Nfld Tel	(1.9)	15.27	0.63	4.2%	15.90	1.87	
Island Tel	(0.6)	14.34	0.52	3.6%	14.86	1.53	81.7%
MT&T	(4.6)	15.33	0.57	3.7%	15.90	1.66	82.8%
NBTel	(3.2)	15.32	0.55	3.6%	15.87	1.60	86.7%
Bell	(268.2)	15.26	2.04	13.4%	17.30	6.01	73.0%
Manitoba Tel	(5.3)	10.37	0.47	4.5%	10.84	1.37	
SaskTel	(6.4)	11.62	0.64	5.5%	12.25	1.87	
AGT	(16.2)	15.33	0.86	5.6%	16.19	2.52	82.6%
B.C. Tel	(62.6)	16.86	2.34	13.9%	19.21	6.89	77.5%
Total or Mean	(368.8)	15.09	1.74	11.6%	16.83	5.13	
Unweighted Average		14.41	0.96	6.6%	15.37	2.82	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 37.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(3.7)	50.71	2.47	4.9%	53.18	6.69		1.23%
Island Tel	(1.2)	42.98	2.14	5.0%	45.12	5.78	71.8%	1.59%
MT&T	(9.1)	39.69	2.13	5.4%	41.82	5.76	71.5%	1.38%
NBTel	(6.5)	54.14	2.61	4.8%	56.76	7.06	82.7%	1.30%
Bell	(533.9)	51.57	8.85	17.2%	60.42	23.93	72.2%	4.88%
Manitoba Tel	(10.5)	30.40	1.77	5.8%	32.17	4.78		1.21%
SaskTel	(12.6)	32.67	2.34	7.2%	35.01	6.32		1.32%
AGT	(32.1)	42.59	3.08	7.2%	45.68	8.33	81.1%	1.53%
B.C. Tel	(124.3)	58.08	10.06	17.3%	68.14	27.19	70.9%	5.15%
Total or Mean	(733.8)	48.96	7.22	14.8%	56.19	19.52		3.91%
Unweighted Average		44.76	3.94	8.8%	48.70	10.65		2.18%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

Nfld Tel	(3.7)	50.71	1.26	2.5%	51.97	3.41	
Island Tel	(1.2)	42.98	1.03	2.4%	44.02	2.79	75.5%
MT&T	(9.1)	39.69	1.12	2.8%	40.82	3.04	74.5%
NBTel	(6.5)	54.14	1.10	2.0%	55.24	2.97	89.0%
Bell	(533.9)	51.57	4.07	7.9%	55.64	10.99	81.9%
Manitoba Tel	(10.5)	30.40	0.93	3.1%	31.33	2.51	
SaskTel	(12.6)	32.67	1.26	3.9%	33.93	3.40	
AGT	(32.1)	42.59	1.70	4.0%	44.30	4.60	85.6%
B.C. Tel	(124.3)	58.08	4.66	8.0%	62.74	12.59	81.1%
Total or Mean	(733.8)	48.96	3.37	6.9%	52.33	9.11	
Unweighted Average		44.76	1.90	4.3%	46.66	5.14	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Bell-B.C.Tel Only
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0%
Competing rates discounted by 37.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.7)	15.27	0.74	4.9%	16.01	2.01		NA
Island Tel	(1.2)	14.34	0.71	5.0%	15.06	1.93	81.1%	NA
MT&T	(9.1)	15.33	0.82	5.4%	16.15	2.23	82.2%	NA
NBTel	(6.5)	15.32	0.74	4.8%	16.06	2.00	86.0%	NA
Bell	(533.9)	15.26	2.62	17.2%	17.88	7.08	70.4%	6.03
Manitoba Tel	(10.5)	10.37	0.60	5.8%	10.98	1.63		NA
SaskTel	(12.6)	11.62	0.83	7.2%	12.45	2.25		NA
AGT	(32.1)	15.33	1.11	7.2%	16.44	3.00	81.9%	NA
B.C. Tel	(124.3)	16.86	2.92	17.3%	19.79	7.90	76.1%	10.03
Total or Mean	(733.8)	15.09	2.23	14.8%	17.32	6.03		7.03
Unweighted Average		14.41	1.23	8.6%	15.65	3.34		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(3.7)	15.27	1.26	8.3%	16.53	3.41		
Island Tel	(1.2)	14.34	1.03	7.2%	15.38	2.79	79.6%	
MT&T	(9.1)	15.33	1.12	7.3%	16.46	3.04	81.3%	
NBTel	(6.5)	15.32	1.10	7.2%	16.42	2.97	83.8%	
Bell	(533.9)	15.26	4.07	26.7%	19.33	10.99	60.6%	
Manitoba Tel	(10.5)	10.37	0.93	9.0%	11.30	2.51		
SaskTel	(12.6)	11.62	1.26	10.8%	12.88	3.40		
AGT	(32.1)	15.33	1.70	11.1%	17.04	4.60	79.6%	
B.C. Tel	(124.3)	16.86	4.66	27.6%	21.52	12.59	69.4%	
Total or Mean	(733.8)	15.09	3.47	23.0%	18.56	9.38		
Unweighted Average		14.41	1.90	13.2%	16.32	5.14		

REBALANCED RATES

Telecom Canada Members

R(T)

2. REBALANCED RATES

Telecom Canada Members R(T)

SEQUENCE OF TABLES

0% rate discount by Competitor
    10% market loss by Telecos
    20% market loss by Telecos

10% rate discount by Competitor
    10% market loss by Telecos
    20% market loss by Telecos

25% rate discount by Competitor
    10% market loss by Telecos
    20% market loss by Telecos

Maximum rate discount by Competitor
(no contribution payment)
    10% market loss by Telecos
    20% market loss by Telecos

For explanation of Tables, see Pages III-1 to III-7 of the Final Report

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	0.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	0.0	59.44	0.00	0.0%	59.44	NA		0.00%
Island Tel	0.0	46.10	0.00	0.0%	46.10	NA	NA	0.00%
MT&T	(0.0)	44.58	0.00	0.0%	44.58	NA	NA	0.00%
NBTel	0.0	59.85	0.00	0.0%	59.85	NA	NA	0.00%
Bell	(0.0)	51.91	0.00	0.0%	51.91	NA	NA	0.00%
Manitoba Tel	0.0	34.34	0.00	0.0%	34.34	NA		0.00%
SaskTel	0.0	39.61	0.00	0.0%	39.61	NA		0.00%
AGT	(0.0)	51.28	0.00	0.0%	51.28	NA	NA	0.00%
B.C. Tel	(0.0)	58.65	0.00	0.0%	58.65	NA	NA	0.00%
Total or Mean	(0.0)	51.11	0.00	0.0%	51.11	NA		0.00%
Unweighted Average		49.53	0.00	0.0%	49.53	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	0.0	59.44	0.00	0.0%	59.44	NA	
Island Tel	0.0	46.10	0.00	0.0%	46.10	NA	NA
MT&T	(0.0)	44.58	0.00	0.0%	44.58	NA	NA
NBTel	0.0	59.85	0.00	0.0%	59.85	NA	NA
Bell	(0.0)	51.91	0.00	0.0%	51.91	NA	NA
Manitoba Tel	0.0	34.34	0.00	0.0%	34.34	NA	
SaskTel	0.0	39.61	0.00	0.0%	39.61	NA	
AGT	(0.0)	51.28	0.00	0.0%	51.28	NA	NA
B.C. Tel	(0.0)	58.65	0.00	0.0%	58.65	NA	NA
Total or Mean	(0.0)	51.11	0.00	C.0%	51.11	NA	
Unweighted Average		49.53	0.00	0.0%	49.53	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%
Productivity Improvement: 0.0% Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	0.0	17.90	0.00	0.0%	17.90	NA		NA
Island Tel	0.0	15.38	0.00	0.0%	15.38	NA	NA	NA
MT&T	(0.0)	17.22	0.00	0.0%	17.22	NA	NA	NA
NBTel	0.0	16.94	0.00	0.0%	16.94	NA	NA	NA
Bell	(0.0)	15.36	0.00	0.0%	15.36	NA	NA	NA
Manitoba Tel	0.0	11.72	0.00	0.0%	11.72	NA		NA
SaskTel	0.0	14.08	0.00	0.0%	14.08	NA		NA
AGT	(0.0)	18.46	0.00	0.0%	18.46	NA	NA	NA
B.C. Tel	(0.0)	17.03	0.00	0.0%	17.03	NA	NA	NA
Total or Mean	(0.0)	15.72	0.00	0.0%	15.72	NA		NA
Unweighted Average		16.01	0.00	0.0%	16.01	NA		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	0.0	17.90	0.00	0.0%	17.90	NA	
Island Tel	0.0	15.38	0.00	0.0%	15.38	NA	NA
MT&T	(0.0)	17.22	0.00	0.0%	17.22	NA	NA
NBTel	0.0	16.94	0.00	0.0%	16.94	NA	NA
Bell	(0.0)	15.36	0.00	0.0%	15.36	NA	NA
Manitoba Tel	0.0	11.72	0.00	0.0%	11.72	NA	
SaskTel	0.0	14.08	0.00	0.0%	14.08	NA	
AGT	(0.0)	18.46	0.00	0.0%	18.46	NA	NA
B.C. Tel	(0.0)	17.03	0.00	0.0%	17.03	NA	NA
Total or Mean	(0.0)	15.72	0.00	0.0%	15.72	NA	
Unweighted Average		16.01	0.00	0.0%	16.01	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 3.80 cts/min 12.1% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(5.3)	59.44	3.53	5.9%	62.98	NA		1.79%
Island Tel	(1.2)	46.10	2.27	4.9%	48.37	NA	NA	1.71%
MT&T	(12.4)	44.58	2.90	6.5%	47.48	NA	NA	1.89%
NBTel	(10.2)	59.85	4.10	6.9%	63.95	NA	NA	2.05%
Bell	(201.5)	51.91	3.34	6.4%	55.25	NA	NA	1.81%
Manitoba Tel	(7.2)	34.34	1.22	3.5%	35.55	NA		0.84%
SaskTel	(17.3)	39.61	3.22	8.1%	42.83	NA		1.83%
AGT	(42.7)	51.28	4.10	8.0%	55.37	NA	NA	2.04%
B.C. Tel	(50.4)	58.65	4.08	7.0%	62.73	NA	NA	2.06%
Total or Mean	(348.1)	51.11	3.38	6.6%	54.49	NA		1.83%
Unweighted Average		49.53	3.20	6.5%	52.72	NA		1.78%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

Nfld Tel	(5.3)	59.44	1.80	3.0%	61.24	NA	
Island Tel	(1.2)	46.10	1.10	2.4%	47.20	NA	NA
MT&T	(12.4)	44.58	1.53	3.4%	46.11	NA	NA
NBTel	(10.2)	59.85	1.73	2.9%	61.57	NA	NA
Bell	(201.5)	51.91	1.53	3.0%	53.44	NA	NA
Manitoba Tel	(7.2)	34.34	0.64	1.9%	34.98	NA	
SaskTel	(17.3)	39.61	1.74	4.4%	41.34	NA	
AGT	(42.7)	51.28	2.26	4.4%	53.54	NA	NA
B.C. Tel	(50.4)	58.65	1.89	3.2%	60.54	NA	NA
Total or Mean	(348.1)	51.11	1.62	3.2%	52.73	NA	
Unweighted Average		49.53	1.58	3.2%	51.11	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	RESELLER	
Geographic Areas of Competition:	Telecom Canada Members	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	3.80 cts/min	12.1% of Telco rate.
Market Lost to Competition:	-10.0%	
Productivity Improvement:	0.0%	Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(5.3)	17.90	1.06	5.9%	18.96	NA		11.45
Island Tel	(1.2)	15.38	0.76	4.9%	16.14	NA	NA	8.57
MT&T	(12.4)	17.22	1.12	6.5%	18.34	NA	NA	10.27
NBTel	(10.2)	16.94	1.16	6.9%	18.10	NA	NA	8.94
Bell	(201.5)	15.36	0.99	6.4%	16.35	NA	NA	9.39
Manitoba Tel	(7.2)	11.72	0.42	3.5%	12.13	NA		6.00
SaskTel	(17.3)	14.08	1.15	8.1%	15.23	NA		9.27
AGT	(42.7)	18.46	1.47	8.0%	19.94	NA	NA	12.59
B.C. Tel	(50.4)	17.03	1.18	7.0%	18.22	NA	NA	10.32
Total or Mean	(348.1)	15.72	1.04	6.6%	16.76	NA		9.61
Unweighted Average		16.01	1.03	6.5%	17.04	NA		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

Nfld Tel	(5.3)	17.90	1.80	10.1%	19.70	NA	
Island Tel	(1.2)	15.38	1.10	7.1%	16.48	NA	NA
MT&T	(12.4)	17.22	1.53	8.9%	18.75	NA	NA
NBTel	(10.2)	16.94	1.73	10.2%	18.66	NA	NA
Bell	(201.5)	15.36	1.53	10.0%	16.89	NA	NA
Manitoba Tel	(7.2)	11.72	0.64	5.5%	12.35	NA	
SaskTel	(17.3)	14.08	1.74	12.3%	15.82	NA	
AGT	(42.7)	18.46	2.26	12.2%	20.72	NA	NA
B.C. Tel	(50.4)	17.03	1.89	11.1%	18.92	NA	NA
Total or Mean	(348.1)	15.72	1.61	10.2%	17.33	NA	
Unweighted Average		16.01	1.58	9.9%	17.59	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 4.40 cts/min 14.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0%
Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(9.3)	59.44	6.24	10.5%	65.69	NA		3.26%
Island Tel	(2.1)	46.10	3.94	8.6%	50.04	NA	NA	3.04%
MT&T	(22.1)	44.58	5.16	11.6%	49.74	NA	NA	3.46%
NBTel	(18.2)	59.85	7.35	12.3%	67.20	NA	NA	3.76%
Bell	(351.1)	51.91	5.82	11.2%	57.73	NA	NA	3.22%
Manitoba Tel	(11.0)	34.34	1.85	5.4%	36.19	NA		1.31%
SaskTel	(30.8)	39.61	5.74	14.5%	45.35	NA		3.35%
AGT	(76.8)	51.28	7.38	14.4%	58.66	NA	NA	3.79%
B.C. Tel	(88.7)	58.65	7.18	12.2%	65.83	NA	NA	3.72%
Total or Mean	(610.1)	51.11	5.93	11.6%	57.04	NA		3.29%
Unweighted Average		49.53	5.63	11.4%	55.16	NA		3.21%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

Nfld Tel	(9.3)	59.44	3.18	5.4%	62.63	NA	
Island Tel	(2.1)	46.10	1.91	4.1%	48.00	NA	NA
MT&T	(22.1)	44.58	2.72	6.1%	47.31	NA	NA
NBTel	(18.2)	59.85	3.09	5.2%	62.94	NA	NA
Bell	(351.1)	51.91	2.67	5.2%	54.58	NA	NA
Manitoba Tel	(11.0)	34.34	0.97	2.8%	35.31	NA	
SaskTel	(30.8)	39.61	3.09	7.8%	42.70	NA	
AGT	(76.8)	51.28	4.07	7.9%	55.35	NA	NA
B.C. Tel	(88.7)	58.65	3.32	5.7%	61.98	NA	NA
Total or Mean	(610.1)	51.11	2.84	5.6%	53.95	NA	
Unweighted Average		49.53	2.78	5.6%	52.31	NA	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	4.40 cts/min	14.0% of Telco rate.
	Market Lost to Competition:	-20.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(9.3)	17.90	1.88	10.5%	19.78	NA		11.16
Island Tel	(2.1)	15.38	1.32	8.6%	16.70	NA	NA	8.53
MT&T	(22.1)	17.22	1.99	11.6%	19.21	NA	NA	10.16
NBTel	(18.2)	16.94	2.08	12.3%	19.02	NA	NA	9.00
Bell	(351.1)	15.36	1.72	11.2%	17.08	NA	NA	9.27
Manitoba Tel	(11.0)	11.72	0.63	5.4%	12.35	NA		6.08
SaskTel	(30.8)	14.08	2.04	14.5%	16.12	NA		9.27
AGT	(76.8)	18.46	2.66	14.4%	21.12	NA	NA	12.31
B.C. Tel	(88.7)	17.03	2.08	12.2%	19.12	NA	NA	10.14
Total or Mean	(610.1)	15.72	1.82	11.6%	17.54	NA		9.50
Unweighted Average		16.01	1.82	11.4%	17.83	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(9.3)	17.90	3.18	17.8%	21.08	NA	
Island Tel	(2.1)	15.38	1.91	12.4%	17.29	NA	NA
MT&T	(22.1)	17.22	2.72	15.8%	19.94	NA	NA
NBTel	(18.2)	16.94	3.09	18.2%	20.03	NA	NA
Bell	(351.1)	15.36	2.67	17.4%	18.03	NA	NA
Manitoba Tel	(11.0)	11.72	0.97	8.3%	12.69	NA	
SaskTel	(30.8)	14.08	3.09	22.0%	17.17	NA	
AGT	(76.8)	18.46	4.07	22.1%	22.53	NA	NA
B.C. Tel	(88.7)	17.03	3.32	19.5%	20.36	NA	NA
Total or Mean	(610.1)	15.72	2.82	17.9%	18.54	NA	
Unweighted Average		16.01	2.78	17.4%	18.79	NA	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	2.35 cts/min	7.5% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(6.4)	59.44	4.31	7.2%	63.75	43.06		2.19%
Island Tel	(1.5)	46.10	2.84	6.2%	48.94	28.40	54.2%	2.13%
MT&T	(15.0)	44.58	3.51	7.9%	48.10	35.14	51.9%	2.30%
NBTel	(12.2)	59.85	4.92	8.2%	64.77	49.24	47.8%	2.46%
Bell	(249.7)	51.91	4.14	8.0%	56.05	41.40	62.2%	2.25%
Manitoba Tel	(10.6)	34.34	1.79	5.2%	36.12	17.87		1.23%
SaskTel	(21.1)	39.61	3.92	9.9%	43.53	39.20		2.23%
AGT	(50.7)	51.28	4.87	9.5%	56.15	48.68	48.8%	2.43%
B.C. Tel	(62.0)	58.65	5.02	8.6%	63.67	50.17	59.2%	2.53%
Total or Mean	(429.2)	51.11	4.17	8.2%	55.28	41.74		2.26%
Unweighted Average		49.53	3.92	7.9%	53.45	39.24		2.19%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(6.4)	59.44	2.19	3.7%	61.64	21.95	
Island Tel	(1.5)	46.10	1.37	3.0%	47.47	13.72	64.2%
MT&T	(15.0)	44.58	1.85	4.2%	46.44	18.55	61.0%
NBTel	(12.2)	59.85	2.07	3.5%	61.92	20.70	66.9%
Bell	(249.7)	51.91	1.90	3.7%	53.81	19.02	75.6%
Manitoba Tel	(10.6)	34.34	0.94	2.7%	35.28	9.39	
SaskTel	(21.1)	39.61	2.11	5.3%	41.72	21.10	
AGT	(50.7)	51.28	2.69	5.2%	53.96	26.86	62.8%
B.C. Tel	(62.0)	58.65	2.32	4.0%	60.98	23.22	73.4%
Total or Mean	(429.2)	51.11	1.99	3.9%	53.10	19.95	
Unweighted Average		49.53	1.94	3.9%	51.47	19.39	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 2.35 cts/min 7.5% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(6.4)	17.90	1.30	7.2%	19.20	12.97		11.07
Island Tel	(1.5)	15.38	0.95	6.2%	16.33	9.48	67.9%	7.91
MT&T	(15.0)	17.22	1.36	7.9%	18.58	13.57	63.0%	9.67
NBTel	(12.2)	16.94	1.39	8.2%	18.33	13.93	55.6%	8.11
Bell	(249.7)	15.36	1.22	8.0%	16.58	12.25	57.5%	8.82
Manitoba Tel	(10.6)	11.72	0.61	5.2%	12.32	6.10		5.37
SaskTel	(21.1)	14.08	1.39	9.9%	15.48	13.94		8.56
AGT	(50.7)	18.46	1.75	9.5%	20.21	17.52	62.4%	12.10
B.C. Tel	(62.0)	17.03	1.46	8.6%	18.49	14.57	66.5%	9.84
Total or Mean	(429.2)	15.72	1.28	8.1%	17.00	12.81		9.04
Unweighted Average		16.01	1.27	7.9%	17.28	12.70		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(6.4)	17.90	2.19	12.3%	20.09	21.95	
Island Tel	(1.5)	15.38	1.37	8.9%	16.75	13.72	61.4%
MT&T	(15.0)	17.22	1.85	10.8%	19.08	18.55	54.3%
NBTel	(12.2)	16.94	2.07	12.2%	19.01	20.70	42.7%
Bell	(249.7)	15.36	1.90	12.4%	17.26	19.02	43.1%
Manitoba Tel	(10.6)	11.72	0.94	8.0%	12.65	9.39	
SaskTel	(21.1)	14.08	2.11	15.0%	16.19	21.10	
AGT	(50.7)	18.46	2.69	14.6%	21.15	26.86	52.8%
B.C. Tel	(62.0)	17.03	2.32	13.6%	19.35	23.22	54.9%
Total or Mean	(429.2)	15.72	1.98	12.6%	17.70	19.82	
Unweighted Average		16.01	1.94	12.1%	17.95	19.39	

TELECOM CANADA MEMBERS

INPUTS:

	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	2.95 cts/min	9.4% of Telco rate.
	Market Lost to Competition:	-20.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(11.5)	59.44	7.74	13.0%	67.19	77.41		4.04%
Island Tel	(2.7)	46.10	5.04	10.9%	51.14	50.39	44.5%	3.88%
MT&T	(27.2)	44.58	6.35	14.2%	50.93	63.51	41.9%	4.26%
NBTel	(22.1)	59.85	8.94	14.9%	68.78	89.37	34.1%	4.58%
Bell	(444.8)	51.91	7.38	14.2%	59.28	73.76	49.6%	4.08%
Manitoba Tel	(17.5)	34.34	2.96	8.6%	37.29	29.55		2.10%
SaskTel	(38.1)	39.61	7.09	17.9%	46.69	70.89		4.13%
AGT	(92.3)	51.28	8.87	17.3%	60.15	88.69	34.0%	4.56%
B.C. Tel	(111.1)	58.65	8.99	15.3%	67.65	89.91	46.1%	4.66%
Total or Mean	(767.4)	51.11	7.46	14.6%	58.57	74.62		4.14%
Unweighted Average		49.53	7.04	14.2%	56.57	70.39		4.03%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(11.5)	59.44	3.95	6.6%	63.39	39.46	
Island Tel	(2.7)	46.10	2.43	5.3%	48.53	24.35	56.6%
MT&T	(27.2)	44.58	3.35	7.5%	47.93	33.52	52.7%
NBTel	(22.1)	59.85	3.76	6.3%	63.60	37.57	54.1%
Bell	(444.8)	51.91	3.39	6.5%	55.30	33.89	66.2%
Manitoba Tel	(17.5)	34.34	1.55	4.5%	35.89	15.52	
SaskTel	(38.1)	39.61	3.82	9.6%	43.42	38.16	
AGT	(92.3)	51.28	4.89	9.5%	56.17	48.94	48.6%
B.C. Tel	(111.1)	58.65	4.16	7.1%	62.82	41.62	63.1%
Total or Mean	(767.4)	51.11	3.57	7.0%	54.68	35.67	
Unweighted Average		49.53	3.48	7.0%	53.01	34.78	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	2.95 cts/min	9.4% of Telco rate.
	Market Lost to Competition:	-20.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(11.5)	17.90	2.33	13.0%	20.23	23.31		10.78
Island Tel	(2.7)	15.38	1.68	10.9%	17.06	16.81	57.2%	7.88
MT&T	(27.2)	17.22	2.45	14.2%	19.67	24.53	45.3%	9.56
NBTel	(22.1)	16.94	2.53	14.9%	19.47	25.29	36.1%	8.17
Bell	(444.8)	15.36	2.18	14.2%	17.54	21.82	38.3%	8.72
Manitoba Tel	(17.5)	11.72	1.01	8.6%	12.72	10.08		5.45
SaskTel	(38.1)	14.08	2.52	17.9%	16.60	25.20		8.56
AGT	(92.3)	18.46	3.19	17.3%	21.65	31.93	48.5%	11.83
B.C. Tel	(111.1)	17.03	2.61	15.3%	19.64	26.11	51.4%	9.66
Total or Mean	(767.4)	15.72	2.29	14.6%	18.01	22.90		8.93
Unweighted Average		16.01	2.28	14.2%	18.29	22.79		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

Nfld Tel	(11.5)	17.90	3.95	22.0%	21.85	39.46	
Island Tel	(2.7)	15.38	2.43	15.8%	17.82	24.35	48.5%
MT&T	(27.2)	17.22	3.35	19.5%	20.57	33.52	34.9%
NBTel	(22.1)	16.94	3.76	22.2%	20.69	37.57	24.4%
Bell	(444.8)	15.36	3.39	22.1%	18.75	33.89	24.0%
Manitoba Tel	(17.5)	11.72	1.55	13.3%	13.27	15.52	
SaskTel	(38.1)	14.08	3.82	27.1%	17.90	38.16	
AGT	(92.3)	18.46	4.89	26.5%	23.36	48.94	37.6%
B.C. Tel	(111.1)	17.03	4.16	24.4%	21.19	41.62	36.9%
Total or Mean	(767.4)	15.72	3.54	22.5%	19.26	35.44	
Unweighted Average		16.01	3.48	21.7%	19.49	34.78	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 0.25 cts/min 0.8% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(8.4)	59.44	5.64	9.5%	65.09	22.58		2.86%
Island Tel	(2.1)	46.10	3.82	8.3%	49.91	15.26	62.9%	2.87%
MT&T	(19.6)	44.58	4.58	10.3%	49.16	18.30	61.2%	2.99%
NBTel	(15.7)	59.85	6.34	10.6%	66.18	25.35	62.8%	3.17%
Bell	(332.9)	51.91	5.52	10.6%	57.43	22.08	73.4%	2.99%
Manitoba Tel	(16.4)	34.34	2.77	8.1%	37.11	11.08		1.91%
SaskTel	(27.5)	39.61	5.12	12.9%	44.73	20.49		2.91%
AGT	(64.5)	51.28	6.20	12.1%	57.48	24.80	64.5%	3.09%
B.C. Tel	(82.0)	58.65	6.63	11.3%	65.29	26.54	71.3%	3.35%
Total or Mean	(569.1)	51.11	5.54	10.8%	56.65	22.14		3.00%
Unweighted Average		49.53	5.18	10.5%	54.71	20.72		2.91%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(8.4)	59.44	2.88	4.8%	62.32	11.51	
Island Tel	(2.1)	46.10	1.84	4.0%	47.94	7.38	70.1%
MT&T	(19.6)	44.58	2.42	5.4%	47.00	9.66	67.8%
NBTel	(15.7)	59.85	2.66	4.5%	62.51	10.66	77.8%
Bell	(332.9)	51.91	2.54	4.9%	54.44	10.14	82.6%
Manitoba Tel	(16.4)	34.34	1.46	4.2%	35.79	5.82	
SaskTel	(27.5)	39.61	2.76	7.0%	42.36	11.03	
AGT	(64.5)	51.28	3.42	6.7%	54.70	13.68	75.0%
B.C. Tel	(82.0)	58.65	3.07	5.2%	61.73	12.28	81.3%
Total or Mean	(569.1)	51.11	2.64	5.2%	53.75	10.58	
Unweighted Average		49.53	2.56	5.2%	52.09	10.24	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 0.25 cts/min 0.8% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(8.4)	17.90	1.70	9.5%	19.60	6.80		10.40
Island Tel	(2.1)	15.38	1.27	8.3%	16.66	5.09	75.5%	6.88
MT&T	(19.6)	17.22	1.77	10.3%	18.99	7.07	75.0%	8.72
NBTel	(15.7)	16.94	1.79	10.6%	18.73	7.18	72.7%	6.83
Bell	(332.9)	15.36	1.63	10.6%	16.99	6.53	71.7%	7.92
Manitoba Tel	(16.4)	11.72	0.95	8.1%	12.66	3.78		4.41
SaskTel	(27.5)	14.08	1.82	12.9%	15.90	7.28		7.45
AGT	(64.5)	18.46	2.23	12.1%	20.69	8.93	73.4%	11.28
B.C. Tel	(82.0)	17.03	1.93	11.3%	18.96	7.71	76.4%	9.05
Total or Mean	(569.1)	15.72	1.70	10.8%	17.42	6.80		8.13
Unweighted Average		16.01	1.68	10.5%	17.69	6.71		

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(8.4)	17.90	2.88	16.1%	20.78	11.51	
Island Tel	(2.1)	15.38	1.84	12.0%	17.23	7.38	71.5%
MT&T	(19.6)	17.22	2.42	14.0%	19.64	9.66	70.3%
NBTel	(15.7)	16.94	2.66	15.7%	19.60	10.66	63.4%
Bell	(332.9)	15.36	2.54	16.5%	17.89	10.14	62.7%
Manitoba Tel	(16.4)	11.72	1.46	12.4%	13.17	5.82	
SaskTel	(27.5)	14.08	2.76	19.6%	16.84	11.03	
AGT	(64.5)	18.46	3.42	18.5%	21.88	13.68	67.0%
B.C. Tel	(82.0)	17.03	3.07	18.0%	20.10	12.28	69.8%
Total or Mean	(569.1)	15.72	2.63	16.7%	18.35	10.52	
Unweighted Average		16.01	2.56	16.0%	18.57	10.24	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	RESELLER	
Geographic Areas of Competition:	Telecom Canada Members	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	0.75 cts/min	2.4% of Telco rate.
Market Lost to Competition:	-20.0%	
Productivity Improvement:	0.0%	Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Percentage Local Rate Changes to BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(15.6)	59.44	10.46	17.6%	69.91	41.86		5.46%
Island Tel	(3.8)	46.10	7.03	15.2%	53.12	28.11	54.4%	5.42%
MT&T	(36.4)	44.58	8.51	19.1%	53.10	34.05	52.4%	5.71%
NBTel	(29.2)	59.85	11.82	19.7%	71.66	47.27	48.8%	6.05%
Bell	(615.1)	51.91	10.20	19.7%	62.11	40.80	62.5%	5.65%
Manitoba Tel	(29.4)	34.34	4.96	14.4%	39.30	19.83		3.52%
SaskTel	(51.2)	39.61	9.53	24.1%	49.14	38.14		5.56%
AGT	(120.6)	51.28	11.58	22.6%	62.86	46.32	50.0%	5.96%
B.C. Tel	(151.8)	58.65	12.28	20.9%	70.94	49.13	59.7%	6.36%
Total or Mean	(1,053.1)	51.11	10.24	20.0%	61.35	40.97		5.68%
Unweighted Average		49.53	9.60	19.4%	59.13	38.39		5.52%

Impact of Competition on Telephone Company Revenues and Local Rates Assuming Equal Dollar Local Rate Changes to BUSINESS Subscribers

Nfld Tel	(15.6)	59.44	5.33	9.0%	64.78	21.34	
Island Tel	(3.8)	46.10	3.40	7.4%	49.49	13.58	64.3%
MT&T	(36.4)	44.58	4.49	10.1%	49.08	17.97	61.4%
NBTel	(29.2)	59.85	4.97	8.3%	64.81	19.87	67.7%
Bell	(615.1)	51.91	4.69	9.0%	56.59	18.75	75.8%
Manitoba Tel	(29.4)	34.34	2.60	7.6%	36.94	10.42	
SaskTel	(51.2)	39.61	5.13	13.0%	44.74	20.53	
AGT	(120.6)	51.28	6.39	12.5%	57.67	25.56	63.8%
B.C. Tel	(151.8)	58.65	5.69	9.7%	64.34	22.75	73.7%
Total or Mean	(1,053.1)	51.11	4.89	9.6%	56.00	19.58	
Unweighted Average		49.53	4.74	9.6%	54.27	18.97	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 0.75 cts/min 2.4% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0% Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(15.6)	17.90	3.15	17.6%	21.05	12.60		10.16
Island Tel	(3.8)	15.38	2.34	15.2%	17.73	9.38	68.1%	6.86
MT&T	(36.4)	17.22	3.29	19.1%	20.51	13.15	63.8%	8.62
NBTel	(29.2)	16.94	3.34	19.7%	20.28	13.38	56.9%	6.89
Bell	(615.1)	15.36	3.02	19.7%	18.38	12.07	58.0%	7.83
Manitoba Tel	(29.4)	11.72	1.69	14.4%	13.41	6.77		4.47
SaskTel	(51.2)	14.08	3.39	24.1%	17.47	13.56		7.46
AGT	(120.6)	18.46	4.17	22.6%	22.63	16.68	63.4%	11.05
B.C. Tel	(151.8)	17.03	3.57	20.9%	20.60	14.27	67.0%	8.90
Total or Mean	(1,053.1)	15.72	3.14	20.0%	18.86	12.58		8.05
Unweighted Average		16.01	3.11	19.4%	19.12	12.43		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(15.6)	17.90	5.33	29.8%	23.23	21.34	
Island Tel	(3.8)	15.38	3.40	22.1%	18.78	13.58	61.6%
MT&T	(36.4)	17.22	4.49	26.1%	21.71	17.97	55.2%
NBTel	(29.2)	16.94	4.97	29.3%	21.90	19.87	44.0%
Bell	(615.1)	15.36	4.69	30.5%	20.04	18.75	43.6%
Manitoba Tel	(29.4)	11.72	2.60	22.2%	14.32	10.42	
SaskTel	(51.2)	14.08	5.13	36.5%	19.21	20.53	
AGT	(120.6)	18.46	6.39	34.6%	24.85	25.56	54.0%
B.C. Tel	(151.8)	17.03	5.69	33.4%	22.72	22.75	55.5%
Total or Mean	(1,053.1)	15.72	4.87	31.0%	20.59	19.46	
Unweighted Average		16.01	4.74	29.6%	20.75	18.97	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	Telecom Canada Members	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-10.0%	
	Productivity Improvement:	0.0%	Competing rates discounted by 27.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(8.7)	59.44	5.83	9.8%	65.27	21.58		2.96%
Island Tel	(2.1)	46.10	3.95	8.6%	50.05	14.63	63.4%	2.97%
MT&T	(20.2)	44.58	4.72	10.6%	49.30	17.48	61.7%	3.08%
NBTel	(16.2)	59.85	6.53	10.9%	66.38	24.19	63.8%	3.27%
Bell	(344.2)	51.91	5.71	11.0%	57.61	21.14	74.1%	3.10%
Manitoba Tel	(17.2)	34.34	2.90	8.5%	37.24	10.76		2.00%
SaskTel	(28.4)	39.61	5.29	13.3%	44.89	19.58		3.00%
AGT	(66.4)	51.28	6.38	12.4%	57.66	23.63	65.5%	3.18%
B.C. Tel	(84.7)	58.65	6.85	11.7%	65.51	25.39	72.0%	3.46%
Total or Mean	(588.1)	51.11	5.72	11.2%	56.83	21.19		3.10%
Unweighted Average		49.53	5.35	10.8%	54.88	19.82		3.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(8.7)	59.44	2.97	5.0%	62.41	11.00	
Island Tel	(2.1)	46.10	1.91	4.1%	48.01	7.07	70.4%
MT&T	(20.2)	44.58	2.49	5.6%	47.07	9.23	68.2%
NBTel	(16.2)	59.85	2.75	4.6%	62.59	10.17	78.5%
Bell	(344.2)	51.91	2.62	5.1%	54.53	9.71	83.0%
Manitoba Tel	(17.2)	34.34	1.53	4.4%	35.86	5.65	
SaskTel	(28.4)	39.61	2.85	7.2%	42.45	10.54	
AGT	(66.4)	51.28	3.52	6.9%	54.80	13.04	75.7%
B.C. Tel	(84.7)	58.65	3.17	5.4%	61.83	11.75	81.7%
Total or Mean	(588.1)	51.11	2.73	5.3%	53.84	10.12	
Unweighted Average		49.53	2.64	5.3%	52.17	9.79	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Productivity Improvement: 0.0% Competing rates discounted by 27.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(8.7)	17.90	1.75	9.8%	19.65	6.50		10.29
Island Tel	(2.1)	15.38	1.32	8.6%	16.70	4.88	75.8%	6.75
MT&T	(20.2)	17.22	1.82	10.6%	19.04	6.75	75.6%	8.58
NBTel	(16.2)	16.94	1.85	10.9%	18.79	6.85	73.6%	6.66
Bell	(344.2)	15.36	1.69	11.0%	17.05	6.26	72.4%	7.79
Manitoba Tel	(17.2)	11.72	0.99	8.5%	12.71	3.67		4.29
SaskTel	(28.4)	14.08	1.88	13.3%	15.96	6.96		7.31
AGT	(66.4)	18.46	2.30	12.4%	20.76	8.51	74.0%	11.16
B.C. Tel	(84.7)	17.03	1.99	11.7%	19.02	7.37	76.9%	8.93
Total or Mean	(588.1)	15.72	1.76	11.2%	17.48	6.50		8.01
Unweighted Average		16.01	1.73	10.8%	17.74	6.42		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(8.7)	17.90	2.97	16.6%	20.87	11.00	
Island Tel	(2.1)	15.38	1.91	12.4%	17.29	7.07	72.0%
MT&T	(20.2)	17.22	2.49	14.5%	19.71	9.23	71.1%
NBTel	(16.2)	16.94	2.75	16.2%	19.68	10.17	64.7%
Bell	(344.2)	15.36	2.62	17.1%	17.98	9.71	63.8%
Manitoba Tel	(17.2)	11.72	1.53	13.0%	13.24	5.65	
SaskTel	(28.4)	14.08	2.85	20.2%	16.93	10.54	
AGT	(66.4)	18.46	3.52	19.1%	21.98	13.04	67.9%
B.C. Tel	(84.7)	17.03	3.17	18.6%	20.20	11.75	70.6%
Total or Mean	(588.1)	15.72	2.72	17.3%	18.44	10.07	
Unweighted Average		16.01	2.64	16.5%	18.65	9.79	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0%
Competing rates discounted by 30.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
BUSINESS Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(17.2)	59.44	11.56	19.4%	71.00	38.52		6.03%
Island Tel	(4.2)	46.10	7.82	17.0%	53.92	26.08	55.6%	6.03%
MT&T	(40.1)	44.58	9.38	21.0%	53.96	31.27	53.7%	6.29%
NBTel	(32.1)	59.85	12.97	21.7%	72.82	43.24	50.8%	6.64%
Bell	(683.4)	51.91	11.33	21.8%	63.24	37.78	64.1%	6.27%
Manitoba Tel	(34.2)	34.34	5.76	16.8%	40.10	19.20		4.09%
SaskTel	(56.5)	39.61	10.52	26.6%	50.12	35.05		6.13%
AGT	(131.9)	51.28	12.67	24.7%	63.94	42.22	52.3%	6.51%
B.C. Tel	(168.1)	58.65	13.60	23.2%	72.26	45.35	61.4%	7.05%
Total or Mean	(1,167.7)	51.11	11.36	22.2%	62.47	37.86		6.30%
Unweighted Average		49.53	10.62	21.4%	60.15	35.41		6.12%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
BUSINESS Subscribers

Nfld Tel	(17.2)	59.44	5.89	9.9%	65.34	19.64	
Island Tel	(4.2)	46.10	3.78	8.2%	49.88	12.60	65.1%
MT&T	(40.1)	44.58	4.95	11.1%	49.53	16.50	62.4%
NBTel	(32.1)	59.85	5.45	9.1%	65.30	18.18	69.3%
Bell	(683.4)	51.91	5.21	10.0%	57.11	17.36	76.8%
Manitoba Tel	(34.2)	34.34	3.03	8.8%	37.36	10.09	
SaskTel	(56.5)	39.61	5.66	14.3%	45.27	18.87	
AGT	(131.9)	51.28	6.99	13.6%	58.27	23.30	65.8%
B.C. Tel	(168.1)	58.65	6.30	10.7%	64.95	20.99	74.9%
Total or Mean	(1,167.7)	51.11	5.43	10.6%	56.54	18.09	
Unweighted Average		49.53	5.25	10.6%	54.78	17.50	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: Telecom Canada Members
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%
Productivity Improvement: 0.0%
Competing rates discounted by 30.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes to
RESIDENCE Subscribers

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(17.2)	17.90	3.48	19.4%	21.38	11.60		9.93
Island Tel	(4.2)	15.38	2.61	17.0%	17.99	8.70	69.2%	6.50
MT&T	(40.1)	17.22	3.62	21.0%	20.84	12.08	65.8%	8.30
NBTel	(32.1)	16.94	3.67	21.7%	20.61	12.24	59.5%	6.44
Bell	(683.4)	15.36	3.35	21.8%	18.71	11.18	60.2%	7.53
Manitoba Tel	(34.2)	11.72	1.97	16.8%	13.68	6.55		4.14
SaskTel	(56.5)	14.08	3.74	26.6%	17.82	12.46		7.07
AGT	(131.9)	18.46	4.56	24.7%	23.02	15.20	65.1%	10.78
B.C. Tel	(168.1)	17.03	3.95	23.2%	20.98	13.17	68.6%	8.63
Total or Mean	(1,167.7)	15.72	3.49	22.2%	19.21	11.62		7.73
Unweighted Average		16.01	3.44	21.5%	19.45	11.46		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes to
RESIDENCE Subscribers

Nfld Tel	(17.2)	17.90	5.89	32.9%	23.79	19.64	
Island Tel	(4.2)	15.38	3.78	24.6%	19.16	12.60	63.0%
MT&T	(40.1)	17.22	4.95	28.7%	22.17	16.50	57.7%
NBTel	(32.1)	16.94	5.45	32.2%	22.39	18.18	47.0%
Bell	(683.4)	15.36	5.21	33.9%	20.56	17.36	46.3%
Manitoba Tel	(34.2)	11.72	3.03	25.8%	14.74	10.09	
SaskTel	(56.5)	14.08	5.66	40.2%	19.74	18.87	
AGT	(131.9)	18.46	6.99	37.9%	25.45	23.30	56.1%
B.C. Tel	(168.1)	17.03	6.30	37.0%	23.33	20.99	57.7%
Total or Mean	(1,167.7)	15.72	5.40	34.3%	21.12	17.99	
Unweighted Average		16.01	5.25	32.8%	21.26	17.50	

REBALANCED RATES

All Canada

R(A)

2. REBALANCED RATES

All Canada

R(A)

SEQUENCE OF TABLES

0% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

10% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

25% rate discount by Competitor
    10% market loss by Telcos
    20% market loss by Telcos

Maximum rate discount by Competitor
(no contribution payment)
    10% market loss by Telcos
    20% market loss by Telcos

For explanation of Tables, see Pages III-1 to III-7 of the Final Report

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	RESELLER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
Market Lost to Competition:	0.0%	
		Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	0.0	59.44	0.00	0.0%	59.44	NA		0.00%
Island Tel	0.0	46.10	0.00	0.0%	46.10	NA	NA	0.00%
MT&T	(0.0)	44.58	0.00	0.0%	44.58	NA	NA	0.00%
NBTel	0.0	59.85	0.00	0.0%	59.85	NA	NA	0.00%
Bell	(0.0)	51.91	0.00	0.0%	51.91	NA	NA	0.00%
Manitoba Tel	0.0	34.34	0.00	0.0%	34.34	NA		0.00%
SaskTel	0.0	39.61	0.00	0.0%	39.61	NA		0.00%
AGT	(0.0)	51.28	0.00	0.0%	51.28	NA	NA	0.00%
B.C. Tel	(0.0)	58.65	0.00	0.0%	58.65	NA	NA	0.00%
Total or Mean	(0.0)	51.11	0.00	0.0%	51.11	NA		0.00%
Unweighted Average		49.53	0.00	0.0%	49.53	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	0.0	59.44	0.00	0.0%	59.44	NA	
Island Tel	0.0	46.10	0.00	0.0%	46.10	NA	NA
MT&T	(0.0)	44.58	0.00	0.0%	44.58	NA	NA
NBTel	0.0	59.85	0.00	0.0%	59.85	NA	NA
Bell	(0.0)	51.91	0.00	0.0%	51.91	NA	NA
Manitoba Tel	0.0	34.34	0.00	0.0%	34.34	NA	
SaskTel	0.0	39.61	0.00	0.0%	39.61	NA	
AGT	(0.0)	51.28	0.00	0.0%	51.28	NA	NA
B.C. Tel	(0.0)	58.65	0.00	0.0%	58.65	NA	NA
Total or Mean	(0.0)	51.11	0.00	0.0%	51.11	NA	
Unweighted Average		49.53	0.00	0.0%	49.53	NA	

TELECOM CANADA MEMBERS

INPUTS:	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	0.0%	
			Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	0.0	17.90	0.00	0.0%	17.90	NA		NA
Island Tel	0.0	15.38	0.00	0.0%	15.38	NA	NA	NA
MT&T	(0.0)	17.22	0.00	0.0%	17.22	NA	NA	NA
NBTel	0.0	16.94	0.00	0.0%	16.94	NA	NA	NA
Bell	(0.0)	15.36	0.00	0.0%	15.36	NA	NA	NA
Manitoba Tel	0.0	11.72	0.00	0.0%	11.72	NA		NA
SaskTel	0.0	14.08	0.00	0.0%	14.08	NA		NA
AGT	(0.0)	18.46	0.00	0.0%	18.46	NA	NA	NA
B.C. Tel	(0.0)	17.03	0.00	0.0%	17.03	NA	NA	NA
Total or Mean	(0.0)	15.72	0.00	0.0%	15.72	NA		NA
Unweighted Average		16.01	0.00	0.0%	16.01	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	0.0	17.90	0.00	0.0%	17.90	NA	
Island Tel	0.0	15.38	0.00	0.0%	15.38	NA	NA
MT&T	(0.0)	17.22	0.00	0.0%	17.22	NA	NA
NBTel	0.0	16.94	0.00	0.0%	16.94	NA	NA
Bell	(0.0)	15.36	0.00	0.0%	15.36	NA	NA
Manitoba Tel	0.0	11.72	0.00	0.0%	11.72	NA	
SaskTel	0.0	14.08	0.00	0.0%	14.08	NA	
AGT	(0.0)	18.46	0.00	0.0%	18.46	NA	NA
B.C. Tel	(0.0)	17.03	0.00	0.0%	17.03	NA	NA
Total or Mean	(0.0)	15.72	0.00	0.0%	15.72	NA	
Unweighted Average		16.01	0.00	0.0%	16.01	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(0.0)	33.13	0.00	0.0%	33.13	NA	NA	0.00%
Quebec-Tel	(0.0)	32.51	0.00	0.0%	32.51	NA		0.00%
Telebec	(0.0)	42.42	0.00	0.0%	42.42	NA		0.00%
Northern Tel	(0.0)	30.45	0.00	0.0%	30.45	NA		0.00%
Thunder Bay	(0.0)	12.11	0.00	0.0%	12.11	NA		0.00%
'edmonton tel'	0.0	20.51	0.00	0.0%	20.51	NA		0.00%
Prince Rupert	(0.0)	20.65	0.00	0.0%	20.65	NA		0.00%
NorthwesTel	0.0	29.58	0.00	0.0%	29.58	NA		0.00%
Total or Mean	0.0	24.19	0.00	0.0%	24.19	NA		0.00%
Unweighted Average		27.67	0.00	0.0%	27.67	NA		0.00%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(0.0)	33.13	0.00	0.0%	33.13	NA	NA
Quebec-Tel	(0.0)	32.51	0.00	0.0%	32.51	NA	
Telebec	(0.0)	42.42	0.00	0.0%	42.42	NA	
Northern Tel	(0.0)	30.45	0.00	0.0%	30.45	NA	
Thunder Bay	(0.0)	12.11	0.00	0.0%	12.11	NA	
'edmonton tel'	0.0	20.51	0.00	0.0%	20.51	NA	
Prince Rupert	(0.0)	20.65	0.00	0.0%	20.65	NA	
NorthwesTel	0.0	29.58	0.00	0.0%	29.58	NA	
Total or Mean	0.0	24.19	0.00	0.0%	24.19	NA	
Unweighted Average		27.67	0.00	0.0%	27.67	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: 0.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE			BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)			
Terra Nova Tel	(0.0)	13.28	0.00	0.0%	13.28	NA	NA	NA
Quebec-Tel	(0.0)	12.21	0.00	0.0%	12.21	NA		NA
Telebec	(0.0)	14.74	0.00	0.0%	14.74	NA		NA
Northern Tel	(0.0)	11.50	0.00	0.0%	11.50	NA		NA
Thunder Bay	(0.0)	5.13	0.00	0.0%	5.13	NA		NA
'edmonton tel'	0.0	6.96	0.00	0.0%	6.96	NA		NA
Prince Rupert	(0.0)	8.93	0.00	0.0%	8.93	NA		NA
NorithwesTel	0.0	14.79	0.00	0.0%	14.79	NA		NA
Total or Mean	0.0	10.62	0.00	0.0%	10.62	NA		NA
Unweighted Average		10.94	0.00	0.0%	10.94	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(0.0)	13.28	0.00	0.0%	13.28	NA	NA
Quebec-Tel	(0.0)	12.21	0.00	0.0%	12.21	NA	
Telebec	(0.0)	14.74	0.00	0.0%	14.74	NA	
Northern Tel	(0.0)	11.50	0.00	0.0%	11.50	NA	
Thunder Bay	(0.0)	5.13	0.00	0.0%	5.13	NA	
'edmonton tel'	0.0	6.96	0.00	0.0%	6.96	NA	
Prince Rupert	(0.0)	8.93	0.00	0.0%	8.93	NA	
NorthwesTel	0.0	14.79	0.00	0.0%	14.79	NA	
Total or Mean	0.0	10.62	0.00	0.0%	10.62	NA	
Unweighted Average		10.94	0.00	0.0%	10.94	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	RESELLER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	4.05 cts/min	12.7% of Telco rate.
Market Lost to Competition:	-10.0%	
		Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(5.3)	59.44	3.55	6.0%	63.00	NA		1.78%
Island Tel	(1.2)	46.10	2.27	4.9%	48.37	NA	NA	1.71%
MT&T	(12.4)	44.58	2.90	6.5%	47.49	NA	NA	1.90%
NBTel	(10.0)	59.85	4.05	6.8%	63.90	NA	NA	2.03%
Bell	(198.3)	51.91	3.29	6.3%	55.19	NA	NA	1.78%
Manitoba Tel	(7.0)	34.34	1.19	3.5%	35.52	NA		0.82%
SaskTel	(17.2)	39.61	3.20	8.1%	42.80	NA		1.82%
AGT	(42.5)	51.28	4.08	8.0%	55.36	NA	NA	2.04%
B.C. Tel	(50.0)	58.65	4.04	6.9%	62.70	NA	NA	2.04%
Total or Mean	(343.9)	51.11	3.34	6.5%	54.45	NA		1.81%
Unweighted Average		49.53	3.18	6.4%	52.70	NA		1.77%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(5.3)	59.44	1.81	3.0%	61.26	NA	
Island Tel	(1.2)	46.10	1.10	2.4%	47.19	NA	NA
MT&T	(12.4)	44.58	1.53	3.4%	46.11	NA	NA
NBTel	(10.0)	59.85	1.70	2.8%	61.55	NA	NA
Bell	(198.3)	51.91	1.51	2.9%	53.42	NA	NA
Manitoba Tel	(7.0)	34.34	0.62	1.8%	34.96	NA	
SaskTel	(17.2)	39.61	1.72	4.3%	41.33	NA	
AGT	(42.5)	51.28	2.25	4.4%	53.53	NA	NA
B.C. Tel	(50.0)	58.65	1.87	3.2%	60.53	NA	NA
Total or Mean	(343.9)	51.11	1.60	3.1%	52.71	NA	
Unweighted Average		49.53	1.57	3.2%	51.10	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 4.05 cts/min 12.7% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(5.3)	17.90	1.07	6.0%	18.97	NA		10.99
Island Tel	(1.2)	15.38	0.76	4.9%	16.14	NA	NA	8.81
MT&T	(12.4)	17.22	1.12	6.5%	18.34	NA	NA	10.53
NBTel	(10.0)	16.94	1.15	6.8%	18.08	NA	NA	9.13
Bell	(198.3)	15.36	0.97	6.3%	16.33	NA	NA	9.36
Manitoba Tel	(7.0)	11.72	0.40	3.5%	12.12	NA		6.20
SaskTel	(17.2)	14.08	1.14	8.1%	15.22	NA		9.48
AGT	(42.5)	18.46	1.47	8.0%	19.93	NA	NA	11.92
B.C. Tel	(50.0)	17.03	1.17	6.9%	18.21	NA	NA	10.45
Total or Mean	(343.9)	15.72	1.03	6.5%	16.75	NA		9.26
Unweighted Average		16.01	1.03	6.4%	17.04	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(5.3)	17.90	1.81	10.1%	19.71	NA	
Island Tel	(1.2)	15.38	1.10	7.1%	16.48	NA	NA
MT&T	(12.4)	17.22	1.53	8.9%	18.75	NA	NA
NBTel	(10.0)	16.94	1.70	10.1%	18.64	NA	NA
Bell	(198.3)	15.36	1.51	9.8%	16.87	NA	NA
Manitoba Tel	(7.0)	11.72	0.62	5.3%	12.34	NA	
SaskTel	(17.2)	14.08	1.72	12.2%	15.80	NA	
AGT	(42.5)	18.46	2.25	12.2%	20.71	NA	NA
B.C. Tel	(50.0)	17.03	1.87	11.0%	18.90	NA	NA
Total or Mean	(343.9)	15.72	1.59	10.1%	17.31	NA	
Unweighted Average		16.01	1.57	9.8%	17.58	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 4.05 cts/min 12.7% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(1.8)	33.13	2.38	7.2%	35.51	NA	NA	1.99%
Quebec-Tel	(7.8)	32.51	3.77	11.6%	36.27	NA		2.47%
Telebec	(3.3)	42.42	1.92	4.5%	44.34	NA		1.59%
Northern Tel	(1.1)	30.45	1.67	5.5%	32.12	NA		2.36%
Thunder Bay	(0.2)	12.11	0.12	1.0%	12.23	NA		0.40%
'edmonton tel'	(0.2)	20.51	0.03	0.1%	20.54	NA		0.04%
Prince Rupert	0.0	20.65	-0.02	-0.1%	20.62	NA		-0.07%
NorthwesTel	(2.7)	29.58	2.58	8.7%	32.15	NA		2.01%
Total or Mean	(17.0)	24.19	0.92	3.8%	25.11	NA		1.71%
Unweighted Average		27.67	1.56	5.6%	29.22	NA		1.35%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(1.8)	33.13	1.13	3.4%	34.26	NA	NA
Quebec-Tel	(7.8)	32.51	1.87	5.7%	34.37	NA	
Telebec	(3.3)	42.42	0.87	2.1%	43.30	NA	
Northern Tel	(1.1)	30.45	0.91	3.0%	31.36	NA	
Thunder Bay	(0.2)	12.11	0.08	0.7%	12.19	NA	
'edmonton tel'	(0.2)	20.51	0.02	0.1%	20.53	NA	
Prince Rupert	0.0	20.65	-0.01	-0.1%	20.63	NA	
NorthwesTel	(2.7)	29.58	1.96	6.6%	31.54	NA	
Total or Mean	(17.0)	24.19	0.50	2.0%	24.69	NA	
Unweighted Average		27.67	0.85	3.1%	28.52	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers:	RESELLER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	4.05 cts/min	12.7% of Telco rate.
Market Lost to Competition:	-10.0%	

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(1.8)	13.28	0.96	7.2%	14.24	NA	NA	12.85
Quebec-Tel	(7.8)	12.21	1.42	11.6%	13.63	NA		13.68
Telebec	(3.3)	14.74	0.67	4.5%	15.41	NA		8.59
Northern Tel	(1.1)	11.50	0.63	5.5%	12.14	NA		10.23
Thunder Bay	(0.2)	5.13	0.05	1.0%	5.19	NA		4.99
'edmonton tel'	(0.2)	6.96	0.01	0.1%	6.97	NA		4.15
Prince Rupert	0.0	8.93	-0.01	-0.1%	8.92	NA		3.94
NorthwesTel	(2.7)	14.79	1.29	8.7%	16.08	NA		13.22
Total or Mean	(17.0)	10.62	0.65	6.2%	11.27	NA		8.21
Unweighted Average		10.94	0.63	5.7%	11.57	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(1.8)	13.28	1.13	8.5%	14.42	NA	NA
Quebec-Tel	(7.8)	12.21	1.87	15.3%	14.08	NA	
Telebec	(3.3)	14.74	0.87	5.9%	15.61	NA	
Northern Tel	(1.1)	11.50	0.91	7.9%	12.42	NA	
Thunder Bay	(0.2)	5.13	0.08	1.6%	5.21	NA	
'edmonton tel'	(0.2)	6.96	0.02	0.3%	6.97	NA	
Prince Rupert	0.0	8.93	-0.02	-0.1%	8.91	NA	
NorthwesTel	(2.7)	14.79	1.96	13.3%	16.75	NA	
Total or Mean	(17.0)	10.62	0.87	8.2%	11.48	NA	
Unweighted Average		10.94	0.85	7.8%	11.80	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 4.60 cts/min 14.3% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(9.5)	59.44	6.37	10.7%	65.81	NA		3.28%
Island Tel	(2.2)	46.10	4.00	8.7%	50.10	NA	NA	3.08%
MT&T	(22.4)	44.58	5.24	11.7%	49.82	NA	NA	3.51%
NBTel	(18.2)	59.85	7.34	12.3%	67.19	NA	NA	3.76%
Bell	(349.8)	51.91	5.80	11.2%	57.71	NA	NA	3.21%
Manitoba Tel	(11.0)	34.34	1.85	5.4%	36.19	NA		1.31%
SaskTel	(31.0)	39.61	5.77	14.6%	45.38	NA		3.36%
AGT	(77.4)	51.28	7.44	14.5%	58.72	NA	NA	3.82%
B.C. Tel	(89.0)	58.65	7.21	12.3%	65.86	NA	NA	3.73%
Total or Mean	(610.5)	51.11	5.93	11.6%	57.04	NA		3.29%
Unweighted Average		49.53	5.67	11.4%	55.20	NA		3.23%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(9.5)	59.44	3.25	5.5%	62.69	NA	
Island Tel	(2.2)	46.10	1.93	4.2%	48.03	NA	NA
MT&T	(22.4)	44.58	2.76	6.2%	47.35	NA	NA
NBTel	(18.2)	59.85	3.09	5.2%	62.93	NA	NA
Bell	(349.8)	51.91	2.67	5.1%	54.57	NA	NA
Manitoba Tel	(11.0)	34.34	0.97	2.8%	35.31	NA	
SaskTel	(31.0)	39.61	3.11	7.8%	42.71	NA	
AGT	(77.4)	51.28	4.10	8.0%	55.38	NA	NA
B.C. Tel	(89.0)	58.65	3.34	5.7%	61.99	NA	NA
Total or Mean	(610.5)	51.11	2.84	5.6%	53.95	NA	
Unweighted Average		49.53	2.80	5.7%	52.33	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	RESELLER		
Geographic Areas of Competition:	All Canada		
Rate Structure:	REBALANCED RATES		
Contribution Charge:	4.60 cts/min	14.3% of Telco rate.	
Market Lost to Competition:	-20.0%		
		Competing rates discounted by	0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(9.5)	17.90	1.92	10.7%	19.82	NA		10.82
Island Tel	(2.2)	15.38	1.33	8.7%	16.72	NA	NA	8.79
MT&T	(22.4)	17.22	2.02	11.7%	19.24	NA	NA	10.44
NBTel	(18.2)	16.94	2.08	12.3%	19.02	NA	NA	9.20
Bell	(349.8)	15.36	1.72	11.2%	17.07	NA	NA	9.29
Manitoba Tel	(11.0)	11.72	0.63	5.4%	12.35	NA		6.28
SaskTel	(31.0)	14.08	2.05	14.6%	16.13	NA		9.49
AGT	(77.4)	18.46	2.68	14.5%	21.14	NA	NA	11.77
B.C. Tel	(89.0)	17.03	2.09	12.3%	19.12	NA	NA	10.30
Total or Mean	(610.5)	15.72	1.82	11.6%	17.54	NA		9.23
Unweighted Average		16.01	1.84	11.5%	17.85	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(9.5)	17.90	3.25	18.1%	21.15	NA	
Island Tel	(2.2)	15.38	1.93	12.6%	17.31	NA	NA
MT&T	(22.4)	17.22	2.76	16.0%	19.98	NA	NA
NBTel	(18.2)	16.94	3.09	18.2%	20.02	NA	NA
Bell	(349.8)	15.36	2.67	17.4%	18.02	NA	NA
Manitoba Tel	(11.0)	11.72	0.97	8.3%	12.69	NA	
SaskTel	(31.0)	14.08	3.11	22.1%	17.19	NA	
AGT	(77.4)	18.46	4.10	22.2%	22.57	NA	NA
B.C. Tel	(89.0)	17.03	3.34	19.6%	20.37	NA	NA
Total or Mean	(610.5)	15.72	2.82	17.9%	18.54	NA	
Unweighted Average		16.01	2.80	17.5%	18.81	NA	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 4.60 cts/min 14.3% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	--------- BUSINESS --------- MONTHLY RATE CHANGE ($)	(%)	--------- BUSINESS --------- NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(3.1)	33.13	4.24	12.8%	37.37	NA	NA	3.64%
Quebec-Tel	(14.6)	32.51	7.10	21.9%	39.61	NA		4.74%
Telebec	(5.9)	42.42	3.40	8.0%	45.83	NA		2.87%
Northern Tel	(2.1)	30.45	3.06	10.0%	33.51	NA		4.32%
Thunder Bay	(0.1)	12.11	0.09	0.7%	12.20	NA		0.30%
'edmonton tel'	1.8	20.51	-0.31	-1.5%	20.21	NA		-0.50%
Prince Rupert	0.0	20.65	-0.28	-1.3%	20.37	NA		-0.88%
NorthwesTel	(4.8)	29.58	4.64	15.7%	34.21	NA		3.73%
Total or Mean	(28.8)	24.19	1.47	6.1%	25.66	NA		2.94%
Unweighted Average		27.67	2.74	9.9%	30.41	NA		2.28%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(3.1)	33.13	2.02	6.1%	35.15	NA	NA	
Quebec-Tel	(14.6)	32.51	3.52	10.8%	36.03	NA		
Telebec	(5.9)	42.42	1.54	3.6%	43.97	NA		
Northern Tel	(2.1)	30.45	1.67	5.5%	32.12	NA		
Thunder Bay	(0.1)	12.11	0.06	0.5%	12.17	NA		
'edmonton tel'	1.8	20.51	-0.20	-1.0%	20.31	NA		
Prince Rupert	0.0	20.65	-0.15	-0.7%	20.49	NA		
NorthwesTel	(4.8)	29.58	3.53	11.9%	33.11	NA		
Total or Mean	(28.8)	24.19	0.77	3.2%	24.96	NA		
Unweighted Average		27.67	1.50	5.4%	29.17	NA		

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers:	RESELLER		
Geographic Areas of Competition:	All Canada		
Rate Structure:	REBALANCED RATES		
Contribution Charge:	4.60 cts/min	14.3% of Telco rate.	
Market Lost to Competition:	-20.0%		
		Competing rates discounted by	0.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	--------- RESIDENCE -------- MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(3.1)	13.28	1.70	12.8%	14.98	NA	NA	12.43
Quebec-Tel	(14.6)	12.21	2.67	21.9%	14.88	NA		13.67
Telebec	(5.9)	14.74	1.18	8.0%	15.92	NA		8.62
Northern Tel	(2.1)	11.50	1.15	10.0%	12.66	NA		10.25
Thunder Bay	(0.1)	5.13	0.04	0.7%	5.17	NA		4.95
'edmonton tel'	1.8	6.96	-0.10	-1.5%	6.85	NA		4.06
Prince Rupert	0.0	8.93	-0.12	-1.3%	8.81	NA		3.93
NorthwesTel	(4.8)	14.79	2.32	15.7%	17.11	NA		12.84
Total or Mean	(28.8)	10.62	1.16	10.9%	11.78	NA		8.13
Unweighted Average		10.94	1.10	10.1%	12.05	NA		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(3.1)	13.28	2.02	15.2%	15.30	NA	NA
Quebec-Tel	(14.6)	12.21	3.52	28.8%	15.73	NA	
Telebec	(5.9)	14.74	1.54	10.5%	16.28	NA	
Northern Tel	(2.1)	11.50	1.67	14.5%	13.17	NA	
Thunder Bay	(0.1)	5.13	0.06	1.2%	5.19	NA	
'edmonton tel'	1.8	6.96	-0.20	-2.9%	6.76	NA	
Prince Rupert	0.0	8.93	-0.15	-1.7%	8.77	NA	
NorthwesTel	(4.8)	14.79	3.53	23.9%	18.32	NA	
Total or Mean	(28.8)	10.62	1.52	14.3%	12.13	NA	
Unweighted Average		10.94	1.50	13.7%	12.44	NA	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 2.60 cts/min 8.1% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(6.4)	59.44	4.30	7.2%	63.75	43.05		2.16%
Island Tel	(1.5)	46.10	2.82	6.1%	48.92	28.20	54.3%	2.12%
MT&T	(15.0)	44.58	3.50	7.8%	48.08	35.00	52.0%	2.29%
NBTel	(12.0)	59.85	4.85	8.1%	64.69	48.49	48.2%	2.43%
Bell	(245.0)	51.91	4.06	7.8%	55.97	40.62	62.6%	2.20%
Manitoba Tel	(10.3)	34.34	1.74	5.1%	36.07	17.37		1.20%
SaskTel	(20.8)	39.61	3.87	9.8%	43.48	38.74		2.20%
AGT	(50.3)	51.28	4.83	9.4%	56.11	48.31	49.0%	2.41%
B.C. Tel	(61.2)	58.65	4.95	8.4%	63.60	49.50	59.5%	2.50%
Total or Mean	(422.4)	51.11	4.11	8.0%	55.22	41.08		2.23%
Unweighted Average		49.53	3.88	7.8%	53.41	38.81		2.17%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(6.4)	59.44	2.19	3.7%	61.64	21.94	
Island Tel	(1.5)	46.10	1.36	3.0%	47.46	13.62	64.2%
MT&T	(15.0)	44.58	1.85	4.1%	46.43	18.47	61.1%
NBTel	(12.0)	59.85	2.04	3.4%	61.88	20.38	67.2%
Bell	(245.0)	51.91	1.87	3.6%	53.77	18.66	75.9%
Manitoba Tel	(10.3)	34.34	0.91	2.7%	35.25	9.12	
SaskTel	(20.8)	39.61	2.09	5.3%	41.69	20.85	
AGT	(50.3)	51.28	2.67	5.2%	53.94	26.66	63.0%
B.C. Tel	(61.2)	58.65	2.29	3.9%	60.95	22.91	73.6%
Total or Mean	(422.4)	51.11	1.96	3.8%	53.07	19.64	
Unweighted Average		49.53	1.92	3.9%	51.45	19.18	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 2.60 cts/min 8.1% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates
discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(6.4)	17.90	1.30	7.2%	19.20	12.96		10.45
Island Tel	(1.5)	15.38	0.94	6.1%	16.32	9.41	68.0%	8.12
MT&T	(15.0)	17.22	1.35	7.8%	18.57	13.52	63.1%	9.89
NBTel	(12.0)	16.94	1.37	8.1%	18.31	13.72	56.1%	8.27
Bell	(245.0)	15.36	1.20	7.8%	16.56	12.02	58.1%	8.73
Manitoba Tel	(10.3)	11.72	0.59	5.1%	12.31	5.93		5.54
SaskTel	(20.8)	14.08	1.38	9.8%	15.46	13.77		8.73
AGT	(50.3)	18.46	1.74	9.4%	20.20	17.39	62.5%	11.30
B.C. Tel	(61.2)	17.03	1.44	8.4%	18.47	14.37	66.8%	9.92
Total or Mean	(422.4)	15.72	1.26	8.0%	16.98	12.61		8.58
Unweighted Average		16.01	1.26	7.8%	17.27	12.57		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(6.4)	17.90	2.19	12.3%	20.09	21.94	
Island Tel	(1.5)	15.38	1.36	8.9%	16.74	13.62	61.5%
MT&T	(15.0)	17.22	1.85	10.7%	19.07	18.47	54.4%
NBTel	(12.0)	16.94	2.04	12.0%	18.98	20.38	43.2%
Bell	(245.0)	15.36	1.87	12.2%	17.22	18.66	43.8%
Manitoba Tel	(10.3)	11.72	0.91	7.8%	12.63	9.12	
SaskTel	(20.8)	14.08	2.09	14.8%	16.17	20.85	
AGT	(50.3)	18.46	2.67	14.4%	21.13	26.66	53.0%
B.C. Tel	(61.2)	17.03	2.29	13.5%	19.32	22.91	55.3%
Total or Mean	(422.4)	15.72	1.95	12.4%	17.67	19.51	
Unweighted Average		16.01	1.92	12.0%	17.93	19.18	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers:	RESELLER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	2.60 cts/min	8.1% of Telco rate.
Market Lost to Competition:	-10.0%	

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(2.2)	33.13	2.94	8.9%	36.07	29.42	58.7%	2.46%
Quebec-Tel	(8.7)	32.51	4.23	13.0%	36.73	42.26		2.76%
Telebec	(4.1)	42.42	2.39	5.6%	44.81	23.86		1.97%
Northern Tel	(1.4)	30.45	2.01	6.6%	32.46	20.10		2.84%
Thunder Bay	(0.4)	12.11	0.30	2.4%	12.40	2.96		0.99%
'edmonton tel'	(2.7)	20.51	0.47	2.3%	20.98	4.71		0.76%
Prince Rupert	(0.0)	20.65	0.25	1.2%	20.89	2.48		0.78%
NorthwesTel	(3.2)	29.58	3.10	10.5%	32.68	31.00		2.42%
Total or Mean	(22.8)	24.19	1.35	5.6%	25.54	13.49		2.30%
Unweighted Average		27.67	1.96	7.1%	29.63	19.60		1.87%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(2.2)	33.13	1.40	4.2%	34.53	14.01	66.6%
Quebec-Tel	(8.7)	32.51	2.10	6.4%	34.60	20.95	
Telebec	(4.1)	42.42	1.08	2.6%	43.51	10.83	
Northern Tel	(1.4)	30.45	1.10	3.6%	31.55	10.99	
Thunder Bay	(0.4)	12.11	0.20	1.6%	12.30	1.98	
'edmonton tel'	(2.7)	20.51	0.31	1.5%	20.82	3.07	
Prince Rupert	(0.0)	20.65	0.14	0.7%	20.78	1.37	
NorthwesTel	(3.2)	29.58	2.36	8.0%	31.94	23.60	
Total or Mean	(22.8)	24.19	0.76	3.1%	24.95	7.59	
Unweighted Average		27.67	1.09	3.9%	28.75	10.85	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 2.60 cts/min 8.1% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(2.2)	13.28	1.18	8.9%	14.46	11.80	80.1%	12.75
Quebec-Tel	(8.7)	12.21	1.59	13.0%	13.80	15.88		12.68
Telebec	(4.1)	14.74	0.83	5.6%	15.57	8.29		7.86
Northern Tel	(1.4)	11.50	0.76	6.6%	12.26	7.59		9.54
Thunder Bay	(0.4)	5.13	0.13	2.4%	5.26	1.26		4.78
'edmonton tel'	(2.7)	6.96	0.16	2.3%	7.12	1.60		4.15
Prince Rupert	(0.0)	8.93	0.11	1.2%	9.03	1.07		3.71
NorthwesTel	(3.2)	14.79	1.55	10.5%	16.34	15.50		12.89
Total or Mean	(22.8)	10.62	0.81	7.7%	11.43	8.14		7.81
Unweighted Average		10.94	0.79	7.2%	11.73	7.87		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(2.2)	13.28	1.40	10.5%	14.69	14.01	77.2%
Quebec-Tel	(8.7)	12.21	2.10	17.2%	14.31	20.95	
Telebec	(4.1)	14.74	1.08	7.4%	15.82	10.83	
Northern Tel	(1.4)	11.50	1.10	9.6%	12.60	10.99	
Thunder Bay	(0.4)	5.13	0.20	3.9%	5.33	1.98	
'edmonton tel'	(2.7)	6.96	0.31	4.4%	7.26	3.07	
Prince Rupert	(0.0)	8.93	0.14	1.5%	9.06	1.37	
NorthwesTel	(3.2)	14.79	2.36	16.0%	17.15	23.60	
Total or Mean	(22.8)	10.62	1.11	10.4%	11.73	11.09	
Unweighted Average		10.94	1.09	9.9%	12.03	10.85	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers:	RESELLER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	3.10 cts/min	9.7% of Telco rate.
Market Lost to Competition:	-20.0%	
		Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(11.7)	59.44	7.88	13.3%	67.33	78.83		4.06%
Island Tel	(2.7)	46.10	5.10	11.1%	51.20	51.05	44.3%	3.93%
MT&T	(27.5)	44.58	6.44	14.4%	51.02	64.38	41.6%	4.32%
NBTel	(22.1)	59.85	8.94	14.9%	68.79	89.44	34.1%	4.58%
Bell	(444.5)	51.91	7.37	14.2%	59.28	73.71	49.6%	4.08%
Manitoba Tel	(17.6)	34.34	2.97	8.6%	37.30	29.66		2.10%
SaskTel	(38.3)	39.61	7.13	18.0%	46.74	71.30		4.16%
AGT	(93.1)	51.28	8.94	17.4%	60.22	89.43	33.8%	4.60%
B.C. Tel	(111.7)	58.65	9.04	15.4%	67.69	90.35	46.0%	4.68%
Total or Mean	(769.3)	51.11	7.48	14.6%	58.59	74.80		4.15%
Unweighted Average		49.53	7.09	14.3%	56.62	70.91		4.06%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(11.7)	59.44	4.02	6.8%	63.46	40.18	
Island Tel	(2.7)	46.10	2.47	5.4%	48.56	24.67	56.4%
MT&T	(27.5)	44.58	3.40	7.6%	47.98	33.98	52.5%
NBTel	(22.1)	59.85	3.76	6.3%	63.61	37.60	54.1%
Bell	(444.5)	51.91	3.39	6.5%	55.29	33.86	66.2%
Manitoba Tel	(17.6)	34.34	1.56	4.5%	35.90	15.58	
SaskTel	(38.3)	39.61	3.84	9.7%	43.44	38.38	
AGT	(93.1)	51.28	4.94	9.6%	56.21	49.36	48.4%
B.C. Tel	(111.7)	58.65	4.18	7.1%	62.84	41.83	63.0%
Total or Mean	(769.3)	51.11	3.58	7.0%	54.69	35.77	
Unweighted Average		49.53	3.50	7.1%	53.03	35.05	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	3.10 cts/min	9.7% of Telco rate.
	Market Lost to Competition:	-20.0%	
			Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(11.7)	17.90	2.37	13.3%	20.27	23.74		10.28
Island Tel	(2.7)	15.38	1.70	11.1%	17.09	17.03	56.9%	8.10
MT&T	(27.5)	17.22	2.49	14.4%	19.71	24.87	44.9%	9.80
NBTel	(22.1)	16.94	2.53	14.9%	19.47	25.31	36.1%	8.33
Bell	(444.5)	15.36	2.18	14.2%	17.54	21.81	38.3%	8.66
Manitoba Tel	(17.6)	11.72	1.01	8.6%	12.73	10.12		5.61
SaskTel	(38.3)	14.08	2.54	18.0%	16.62	25.35		8.75
AGT	(93.1)	18.46	3.22	17.4%	21.68	32.20	48.3%	11.15
B.C. Tel	(111.7)	17.03	2.62	15.4%	19.66	26.24	51.3%	9.78
Total or Mean	(769.3)	15.72	2.30	14.6%	18.02	22.96		8.54
Unweighted Average		16.01	2.30	14.3%	18.31	22.96		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL
Nfld Tel	(11.7)	17.90	4.02	22.4%	21.92	40.18	
Island Tel	(2.7)	15.38	2.47	16.0%	17.85	24.67	48.2%
MT&T	(27.5)	17.22	3.40	19.7%	20.62	33.98	34.5%
NBTel	(22.1)	16.94	3.76	22.2%	20.70	37.60	24.4%
Bell	(444.5)	15.36	3.39	22.1%	18.74	33.86	24.0%
Manitoba Tel	(17.6)	11.72	1.56	13.3%	13.27	15.58	
SaskTel	(38.3)	14.08	3.84	27.3%	17.92	38.38	
AGT	(93.1)	18.46	4.94	26.7%	23.40	49.36	37.4%
B.C. Tel	(111.7)	17.03	4.18	24.6%	21.21	41.83	36.7%
Total or Mean	(769.3)	15.72	3.55	22.6%	19.27	35.52	
Unweighted Average		16.01	3.50	21.9%	19.51	35.05	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 3.10 cts/min 9.7% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates
discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(4.0)	33.13	5.37	16.2%	38.50	53.69	46.6%	4.61%
Quebec-Tel	(16.5)	32.51	8.03	24.7%	40.53	80.26		5.35%
Telebec	(7.5)	42.42	4.34	10.2%	46.76	43.41		3.66%
Northern Tel	(2.6)	30.45	3.74	12.3%	34.19	37.38		5.28%
Thunder Bay	(0.6)	12.11	0.45	3.7%	12.55	4.46		1.49%
'edmonton tel'	(3.4)	20.51	0.59	2.9%	21.10	5.86		0.95%
Prince Rupert	(0.0)	20.65	0.27	1.3%	20.92	2.68		0.85%
NorthwesTel	(5.9)	29.58	5.69	19.2%	35.27	56.91		4.58%
Total or Mean	(40.6)	24.19	2.34	9.7%	26.53	23.36		4.14%
Unweighted Average		27.67	3.56	12.9%	31.23	35.58		3.35%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(4.0)	33.13	2.56	7.7%	35.68	25.58	59.0%
Quebec-Tel	(16.5)	32.51	3.98	12.2%	36.48	39.78	
Telebec	(7.5)	42.42	1.97	4.6%	44.39	19.71	
Northern Tel	(2.6)	30.45	2.04	6.7%	32.49	20.44	
Thunder Bay	(0.6)	12.11	0.30	2.5%	12.40	2.97	
'edmonton tel'	(3.4)	20.51	0.38	1.9%	20.90	3.82	
Prince Rupert	(0.0)	20.65	0.15	0.7%	20.79	1.48	
NorthwesTel	(5.9)	29.58	4.33	14.6%	33.91	43.32	
Total or Mean	(40.6)	24.19	1.30	5.4%	25.49	12.96	
Unweighted Average		27.67	1.96	7.1%	29.63	19.64	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 3.10 cts/min 9.7% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 10.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(4.0)	13.28	2.15	16.2%	15.44	21.53	63.0%	12.36
Quebec-Tel	(16.5)	12.21	3.02	24.7%	15.23	30.15		12.67
Telebec	(7.5)	14.74	1.51	10.2%	16.25	15.08		7.88
Northern Tel	(2.6)	11.50	1.41	12.3%	12.92	14.12		9.55
Thunder Bay	(0.6)	5.13	0.19	3.7%	5.32	1.89		4.74
'edmonton tel'	(3.4)	6.96	0.20	2.9%	7.16	1.99		4.06
Prince Rupert	(0.0)	8.93	0.12	1.3%	9.04	1.16		3.70
NorthwesTel	(5.9)	14.79	2.85	19.2%	17.63	28.45		12.55
Total or Mean	(40.6)	10.62	1.49	14.0%	12.10	14.85		7.73
Unweighted Average		10.94	1.43	13.1%	12.37	14.30		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(4.0)	13.28	2.56	19.3%	15.84	25.58	57.1%
Quebec-Tel	(16.5)	12.21	3.98	32.6%	16.19	39.78	
Telebec	(7.5)	14.74	1.97	13.4%	16.71	19.71	
Northern Tel	(2.6)	11.50	2.04	17.8%	13.55	20.44	
Thunder Bay	(0.6)	5.13	0.30	5.8%	5.43	2.97	
'edmonton tel'	(3.4)	6.96	0.38	5.5%	7.34	3.82	
Prince Rupert	(0.0)	8.93	0.15	1.7%	9.07	1.48	
NorthwesTel	(5.9)	14.79	4.33	29.3%	19.12	43.32	
Total or Mean	(40.6)	10.62	2.01	18.9%	12.62	20.06	
Unweighted Average		10.94	1.96	17.9%	12.91	19.64	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.40 cts/min 1.3% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates
discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(8.4)	59.44	5.67	9.5%	65.11	22.68		2.84%
Island Tel	(2.1)	46.10	3.82	8.3%	49.91	15.26	62.9%	2.87%
MT&T	(19.6)	44.58	4.58	10.3%	49.17	18.33	61.2%	2.99%
NBTel	(15.6)	59.85	6.29	10.5%	66.14	25.17	63.0%	3.15%
Bell	(329.9)	51.91	5.47	10.5%	57.38	21.88	73.6%	2.97%
Manitoba Tel	(16.3)	34.34	2.74	8.0%	37.08	10.96		1.89%
SaskTel	(27.4)	39.61	5.10	12.9%	44.70	20.40		2.89%
AGT	(64.4)	51.28	6.19	12.1%	57.47	24.76	64.5%	3.09%
B.C. Tel	(81.6)	58.65	6.60	11.3%	65.25	26.40	71.4%	3.33%
Total or Mean	(565.2)	51.11	5.50	10.8%	56.61	21.99		2.98%
Unweighted Average		49.53	5.16	10.4%	54.69	20.65		2.89%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(8.4)	59.44	2.89	4.9%	62.34	11.56	
Island Tel	(2.1)	46.10	1.84	4.0%	47.94	7.38	70.1%
MT&T	(19.6)	44.58	2.42	5.4%	47.00	9.67	67.8%
NBTel	(15.6)	59.85	2.64	4.4%	62.49	10.58	77.9%
Bell	(329.9)	51.91	2.51	4.8%	54.42	10.05	82.7%
Manitoba Tel	(16.3)	34.34	1.44	4.2%	35.78	5.76	
SaskTel	(27.4)	39.61	2.75	6.9%	42.35	10.98	
AGT	(64.4)	51.28	3.42	6.7%	54.69	13.66	75.1%
B.C. Tel	(81.6)	58.65	3.06	5.2%	61.71	12.22	81.4%
Total or Mean	(565.2)	51.11	2.63	5.1%	53.74	10.51	
Unweighted Average		49.53	2.55	5.2%	52.08	10.21	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.40 cts/min 1.3% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(8.4)	17.90	1.71	9.5%	19.61	6.83		9.58
Island Tel	(2.1)	15.38	1.27	8.3%	16.66	5.09	75.5%	7.03
MT&T	(19.6)	17.22	1.77	10.3%	18.99	7.08	75.0%	8.88
NBTel	(15.6)	16.94	1.78	10.5%	18.72	7.12	72.9%	6.93
Bell	(329.9)	15.36	1.62	10.5%	16.98	6.47	71.9%	7.73
Manitoba Tel	(16.3)	11.72	0.93	8.0%	12.65	3.74		4.52
SaskTel	(27.4)	14.08	1.81	12.9%	15.89	7.25		7.57
AGT	(64.4)	18.46	2.23	12.1%	20.69	8.91	73.4%	10.30
B.C. Tel	(81.6)	17.03	1.92	11.3%	18.95	7.67	76.5%	9.07
Total or Mean	(565.2)	15.72	1.69	10.7%	17.41	6.75		7.51
Unweighted Average		16.01	1.67	10.4%	17.68	6.69		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(8.4)	17.90	2.89	16.1%	20.79	11.56	
Island Tel	(2.1)	15.38	1.84	12.0%	17.23	7.38	71.5%
MT&T	(19.6)	17.22	2.42	14.0%	19.64	9.67	70.3%
NBTel	(15.6)	16.94	2.64	15.6%	19.58	10.58	63.6%
Bell	(329.9)	15.36	2.51	16.4%	17.87	10.05	63.0%
Manitoba Tel	(16.3)	11.72	1.44	12.3%	13.15	5.76	
SaskTel	(27.4)	14.08	2.75	19.5%	16.83	10.98	
AGT	(64.4)	18.46	3.42	18.5%	21.88	13.66	67.1%
B.C. Tel	(81.6)	17.03	3.06	17.9%	20.09	12.22	69.9%
Total or Mean	(565.2)	15.72	2.61	16.6%	18.33	10.45	
Unweighted Average		16.01	2.55	15.9%	18.56	10.21	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.40 cts/min 1.3% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	BUSINESS MONTHLY RATE CHANGE (%)	BUSINESS NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(2.9)	33.13	3.96	12.0%	37.09	15.84	65.6%	3.31%
Quebec-Tel	(10.4)	32.51	5.06	15.6%	37.56	20.23		3.31%
Telebec	(5.6)	42.42	3.23	7.6%	45.66	12.93		2.67%
Northern Tel	(1.8)	30.45	2.63	8.6%	33.08	10.50		3.71%
Thunder Bay	(0.9)	12.11	0.62	5.1%	12.72	2.47		2.07%
'edmonton tel'	(7.4)	20.51	1.28	6.2%	21.79	5.11		2.06%
Prince Rupert	(0.1)	20.65	0.74	3.6%	21.39	2.96		2.34%
NorthwesTel	(4.2)	29.58	4.05	13.7%	33.63	16.20		3.16%
Total or Mean	(33.4)	24.19	2.13	8.8%	26.32	8.51		3.36%
Unweighted Average		27.67	2.70	9.7%	30.36	10.78		2.83%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(2.9)	33.13	1.89	5.7%	35.01	7.55	70.4%
Quebec-Tel	(10.4)	32.51	2.51	7.7%	35.01	10.03	
Telebec	(5.6)	42.42	1.47	3.5%	43.89	5.87	
Northern Tel	(1.8)	30.45	1.44	4.7%	31.89	5.74	
Thunder Bay	(0.9)	12.11	0.41	3.4%	12.52	1.65	
'edmonton tel'	(7.4)	20.51	0.83	4.1%	21.35	3.33	
Prince Rupert	(0.1)	20.65	0.41	2.0%	21.06	1.63	
NorthwesTel	(4.2)	29.58	3.08	10.4%	32.66	12.33	
Total or Mean	(33.4)	24.19	1.24	5.1%	25.43	4.95	
Unweighted Average		27.67	1.50	5.4%	29.17	6.02	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.40 cts/min 1.3% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(2.9)	13.28	1.59	12.0%	14.87	6.35	86.5%	12.54
Quebec-Tel	(10.4)	12.21	1.90	15.6%	14.11	7.60		11.11
Telebec	(5.6)	14.74	1.12	7.6%	15.86	4.49		6.73
Northern Tel	(1.8)	11.50	0.99	8.6%	12.50	3.97		8.45
Thunder Bay	(0.9)	5.13	0.26	5.1%	5.40	1.05		4.44
'edmonton tel'	(7.4)	6.96	0.43	6.2%	7.39	1.73		4.14
Prince Rupert	(0.1)	8.93	0.32	3.6%	9.25	1.28		3.35
NorthwesTel	(4.2)	14.79	2.03	13.7%	16.81	8.10		12.35
Total or Mean	(33.4)	10.62	1.11	10.4%	11.72	4.42		7.17
Unweighted Average		10.94	1.08	9.9%	12.02	4.32		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(2.9)	13.28	1.89	14.2%	15.17	7.55	85.3%
Quebec-Tel	(10.4)	12.21	2.51	20.5%	14.72	10.03	
Telebec	(5.6)	14.74	1.47	10.0%	16.21	5.87	
Northern Tel	(1.8)	11.50	1.44	12.5%	12.94	5.74	
Thunder Bay	(0.9)	5.13	0.41	8.0%	5.55	1.65	
'edmonton tel'	(7.4)	6.96	0.83	12.0%	7.79	3.33	
Prince Rupert	(0.1)	8.93	0.41	4.6%	9.33	1.63	
NorthwesTel	(4.2)	14.79	3.08	20.9%	17.87	12.33	
Total or Mean	(33.4)	10.62	1.55	14.6%	12.17	6.20	
Unweighted Average		10.94	1.50	13.7%	12.45	6.02	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.85 cts/min 2.7% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(15.8)	59.44	10.60	17.8%	70.04	42.39		5.46%
Island Tel	(3.8)	46.10	7.09	15.4%	53.18	28.34	54.3%	5.46%
MT&T	(36.7)	44.58	8.59	19.3%	53.17	34.36	52.3%	5.76%
NBTel	(29.2)	59.85	11.81	19.7%	71.66	47.25	48.8%	6.05%
Bell	(614.2)	51.91	10.18	19.6%	62.09	40.74	62.6%	5.64%
Manitoba Tel	(29.4)	34.34	4.96	14.4%	39.30	19.84		3.52%
SaskTel	(51.4)	39.61	9.57	24.2%	49.17	38.27		5.58%
AGT	(121.2)	51.28	11.64	22.7%	62.92	46.57	49.9%	5.99%
B.C. Tel	(152.2)	58.65	12.32	21.0%	70.97	49.26	59.6%	6.38%
Total or Mean	(1,054.0)	51.11	10.25	20.1%	61.36	41.00		5.68%
Unweighted Average		49.53	9.64	19.5%	59.17	38.56		5.54%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(15.8)	59.44	5.40	9.1%	64.85	21.61	
Island Tel	(3.8)	46.10	3.42	7.4%	49.52	13.69	64.2%
MT&T	(36.7)	44.58	4.53	10.2%	49.12	18.14	61.3%
NBTel	(29.2)	59.85	4.97	8.3%	64.81	19.86	67.7%
Bell	(614.2)	51.91	4.68	9.0%	56.59	18.72	75.8%
Manitoba Tel	(29.4)	34.34	2.61	7.6%	36.94	10.42	
SaskTel	(51.4)	39.61	5.15	13.0%	44.76	20.60	
AGT	(121.2)	51.28	6.43	12.5%	57.70	25.70	63.7%
B.C. Tel	(152.2)	58.65	5.70	9.7%	64.36	22.80	73.7%
Total or Mean	(1,054.0)	51.11	4.90	9.6%	56.01	19.60	
Unweighted Average		49.53	4.77	9.6%	54.29	19.06	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.85 cts/min 2.7% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE		NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
			($)	(%)				
Nfld Tel	(15.8)	17.90	3.19	17.8%	21.09	12.76		9.43
Island Tel	(3.8)	15.38	2.36	15.4%	17.75	9.46	68.0%	7.01
MT&T	(36.7)	17.22	3.32	19.3%	20.54	13.27	63.5%	8.80
NBTel	(29.2)	16.94	3.34	19.7%	20.28	13.37	56.9%	6.98
Bell	(614.2)	15.36	3.01	19.6%	18.37	12.05	58.0%	7.67
Manitoba Tel	(29.4)	11.72	1.69	14.4%	13.41	6.77		4.58
SaskTel	(51.4)	14.08	3.40	24.2%	17.48	13.61		7.58
AGT	(121.2)	18.46	4.19	22.7%	22.65	16.77	63.2%	10.16
B.C. Tel	(152.2)	17.03	3.58	21.0%	20.61	14.30	66.9%	8.94
Total or Mean	(1,054.0)	15.72	3.15	20.0%	18.87	12.59		7.48
Unweighted Average		16.01	3.12	19.5%	19.13	12.49		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(15.8)	17.90	5.40	30.2%	23.30	21.61	
Island Tel	(3.8)	15.38	3.42	22.3%	18.81	13.69	61.4%
MT&T	(36.7)	17.22	4.53	26.3%	21.75	18.14	55.0%
NBTel	(29.2)	16.94	4.97	29.3%	21.90	19.86	44.0%
Bell	(614.2)	15.36	4.68	30.5%	20.04	18.72	43.7%
Manitoba Tel	(29.4)	11.72	2.61	22.2%	14.32	10.42	
SaskTel	(51.4)	14.08	5.15	36.6%	19.23	20.60	
AGT	(121.2)	18.46	6.43	34.8%	24.89	25.70	53.8%
B.C. Tel	(152.2)	17.03	5.70	33.5%	22.73	22.80	55.4%
Total or Mean	(1,054.0)	15.72	4.87	31.0%	20.59	19.48	
Unweighted Average		16.01	4.77	29.8%	20.77	19.06	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.85 cts/min 2.7% of Telco rate.
Market Lost to Competition: -20.0%
Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	BUSINESS MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(5.5)	33.13	7.39	22.3%	40.52	29.58	56.9%	6.35%
Quebec-Tel	(19.9)	32.51	9.68	29.8%	42.18	38.72		6.46%
Telebec	(10.5)	42.42	6.02	14.2%	48.45	24.09		5.07%
Northern Tel	(3.4)	30.45	4.96	16.3%	35.41	19.85		7.01%
Thunder Bay	(1.6)	12.11	1.08	9.0%	13.19	4.33		3.63%
'edmonton tel'	(12.7)	20.51	2.19	10.7%	22.70	8.75		3.54%
Prince Rupert	(0.2)	20.65	1.25	6.0%	21.90	4.99		3.96%
NorthwesTel	(7.8)	29.58	7.58	25.6%	37.16	30.32		6.10%
Total or Mean	(61.6)	24.19	3.88	16.1%	28.07	15.53		6.29%
Unweighted Average		27.67	5.02	18.1%	32.69	20.08		5.27%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(5.5)	33.13	3.52	10.6%	36.65	14.09	65.6%
Quebec-Tel	(19.9)	32.51	4.80	14.8%	37.30	19.19	
Telebec	(10.5)	42.42	2.73	6.4%	45.16	10.94	
Northern Tel	(3.4)	30.45	2.71	8.9%	33.16	10.85	
Thunder Bay	(1.6)	12.11	0.72	6.0%	12.83	2.89	
'edmonton tel'	(12.7)	20.51	1.43	7.0%	21.94	5.71	
Prince Rupert	(0.2)	20.65	0.69	3.3%	21.33	2.75	
NorthwesTel	(7.8)	29.58	5.77	19.5%	35.35	23.08	
Total or Mean	(61.6)	24.19	2.25	9.3%	26.44	8.99	
Unweighted Average		27.67	2.80	10.1%	30.47	11.19	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:			
	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	0.85 cts/min	2.7% of Telco rate.
	Market Lost to Competition:	-20.0%	
			Competing rates discounted by 25.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(5.5)	13.28	2.97	22.3%	16.25	11.86	78.1%	12.18
Quebec-Tel	(19.9)	12.21	3.64	29.8%	15.85	14.55		11.10
Telebec	(10.5)	14.74	2.09	14.2%	16.83	8.37		6.75
Northern Tel	(3.4)	11.50	1.87	16.3%	13.38	7.50		8.46
Thunder Bay	(1.6)	5.13	0.46	9.0%	5.59	1.84		4.39
'edmonton tel'	(12.7)	6.96	0.74	10.7%	7.70	2.97		4.05
Prince Rupert	(0.2)	8.93	0.54	6.0%	9.47	2.16		3.34
NorthwesTel	(7.8)	14.79	3.79	25.6%	18.58	15.16		12.03
Total or Mean	(61.6)	10.62	2.07	19.5%	12.68	8.26		7.10
Unweighted Average		10.94	2.01	18.4%	12.96	8.05		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(5.5)	13.28	3.52	26.5%	16.81	14.09	74.6%
Quebec-Tel	(19.9)	12.21	4.80	39.3%	17.01	19.19	
Telebec	(10.5)	14.74	2.73	18.6%	17.47	10.94	
Northern Tel	(3.4)	11.50	2.71	23.6%	14.22	10.85	
Thunder Bay	(1.6)	5.13	0.72	14.1%	5.86	2.89	
'edmonton tel'	(12.7)	6.96	1.43	20.5%	8.38	5.71	
Prince Rupert	(0.2)	8.93	0.69	7.7%	9.61	2.75	
NorthwesTel	(7.8)	14.79	5.77	39.0%	20.56	23.08	
Total or Mean	(61.6)	10.62	2.88	27.2%	13.50	11.54	
Unweighted Average		10.94	2.80	25.6%	13.74	11.19	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates discounted by 28.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(8.9)	59.44	5.96	10.0%	65.40	21.27		2.99%
Island Tel	(2.2)	46.10	4.02	8.7%	50.12	14.37	63.6%	3.02%
MT&T	(20.6)	44.58	4.81	10.8%	49.39	17.18	62.0%	3.14%
NBTel	(16.3)	59.85	6.59	11.0%	66.44	23.55	64.3%	3.30%
Bell	(347.7)	51.91	5.76	11.1%	57.67	20.59	74.5%	3.13%
Manitoba Tel	(17.5)	34.34	2.95	8.6%	37.29	10.54		2.04%
SaskTel	(28.8)	39.61	5.36	13.5%	44.96	19.13		3.04%
AGT	(67.4)	51.28	6.47	12.6%	57.75	23.12	65.9%	3.23%
B.C. Tel	(85.8)	58.65	6.95	11.8%	65.60	24.80	72.4%	3.51%
Total or Mean	(595.1)	51.11	5.79	11.3%	56.30	20.67		3.14%
Unweighted Average		49.53	5.43	11.0%	54.96	19.40		3.04%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(8.9)	59.44	3.04	5.1%	62.48	10.84	
Island Tel	(2.2)	46.10	1.94	4.2%	48.04	6.95	70.6%
MT&T	(20.6)	44.58	2.54	5.7%	47.12	9.07	68.3%
NBTel	(16.3)	59.85	2.77	4.6%	62.62	9.90	78.8%
Bell	(347.7)	51.91	2.65	5.1%	54.55	9.46	83.2%
Manitoba Tel	(17.5)	34.34	1.55	4.5%	35.89	5.53	
SaskTel	(28.8)	39.61	2.88	7.3%	42.49	10.30	
AGT	(67.4)	51.28	3.57	7.0%	54.85	12.76	76.0%
B.C. Tel	(85.8)	58.65	3.22	5.5%	61.87	11.48	82.0%
Total or Mean	(595.1)	51.11	2.77	5.4%	53.88	9.68	
Unweighted Average		49.53	2.68	5.4%	52.21	9.59	

TELECOM CANADA MEMBERS

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%

Competing rates
discounted by 28.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(8.9)	17.90	1.79	10.0%	19.69	6.41		9.39
Island Tel	(2.2)	15.38	1.34	8.7%	16.72	4.80	76.0%	6.81
MT&T	(20.6)	17.22	1.86	10.8%	19.08	6.64	75.8%	8.67
NBTel	(16.3)	16.94	1.87	11.0%	18.80	6.67	74.1%	6.67
Bell	(347.7)	15.36	1.71	11.1%	17.06	6.09	72.8%	7.52
Manitoba Tel	(17.5)	11.72	1.01	8.6%	12.72	3.59		4.32
SaskTel	(28.8)	14.08	1.90	13.5%	15.99	6.80		7.34
AGT	(67.4)	18.46	2.33	12.6%	20.79	8.32	74.3%	10.08
B.C. Tel	(85.8)	17.03	2.02	11.8%	19.05	7.20	77.1%	8.88
Total or Mean	(595.1)	15.72	1.78	11.3%	17.50	6.35		7.29
Unweighted Average		16.01	1.76	11.0%	17.77	6.28		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(8.9)	17.90	3.04	17.0%	20.94	10.84	
Island Tel	(2.2)	15.38	1.94	12.6%	17.33	6.95	72.2%
MT&T	(20.6)	17.22	2.54	14.7%	19.76	9.07	71.4%
NBTel	(16.3)	16.94	2.77	16.4%	19.71	9.90	65.4%
Bell	(347.7)	15.36	2.65	17.2%	18.01	9.46	64.4%
Manitoba Tel	(17.5)	11.72	1.55	13.2%	13.27	5.53	
SaskTel	(28.8)	14.08	2.88	20.5%	16.97	10.30	
AGT	(67.4)	18.46	3.57	19.4%	22.03	12.76	68.2%
B.C. Tel	(85.8)	17.03	3.22	18.9%	20.25	11.48	71.0%
Total or Mean	(595.1)	15.72	2.75	17.5%	18.47	9.82	
Unweighted Average		16.01	2.68	16.8%	18.69	9.59	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:
Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -10.0%
Competing rates discounted by 28.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	--------- BUSINESS --------- MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(3.1)	33.13	4.17	12.6%	37.30	14.91	66.1%	3.48%
Quebec-Tel	(10.8)	32.51	5.23	16.1%	37.74	18.69		3.42%
Telebec	(5.9)	42.42	3.41	8.0%	45.83	12.18		2.82%
Northern Tel	(1.9)	30.45	2.75	9.0%	33.21	9.84		3.89%
Thunder Bay	(1.0)	12.11	0.68	5.7%	12.79	2.45		2.30%
'edmonton tel'	(8.4)	20.51	1.45	7.0%	21.96	5.16		2.33%
Prince Rupert	(0.1)	20.65	0.84	4.1%	21.49	3.02		2.67%
NorthwesTel	(4.4)	29.58	4.25	14.4%	33.83	15.18		3.32%
Total or Mean	(35.6)	24.19	2.29	9.5%	26.48	8.18		3.58%
Unweighted Average		27.67	2.85	10.3%	30.52	10.18		3.03%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(3.1)	33.13	1.99	6.0%	35.12	7.10	70.6%
Quebec-Tel	(10.8)	32.51	2.59	8.0%	35.10	9.26	
Telebec	(5.9)	42.42	1.55	3.6%	43.97	5.53	
Northern Tel	(1.9)	30.45	1.51	4.9%	31.96	5.38	
Thunder Bay	(1.0)	12.11	0.46	3.8%	12.56	1.63	
'edmonton tel'	(8.4)	20.51	0.94	4.6%	21.46	3.37	
Prince Rupert	(0.1)	20.65	0.47	2.3%	21.11	1.66	
NorthwesTel	(4.4)	29.58	3.24	10.9%	32.81	11.55	
Total or Mean	(35.6)	24.19	1.34	5.5%	25.53	4.78	
Unweighted Average		27.67	1.59	5.8%	29.26	5.69	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers:	RESELLER	
Geographic Areas of Competition:	All Canada	
Rate Structure:	REBALANCED RATES	
Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
Market Lost to Competition:	-10.0%	

Competing rates discounted by 28.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(3.1)	13.28	1.67	12.6%	14.96	5.98	86.9%	12.46
Quebec-Tel	(10.8)	12.21	1.97	16.1%	14.18	7.02		10.79
Telebec	(5.9)	14.74	1.18	8.0%	15.92	4.23		6.50
Northern Tel	(1.9)	11.50	1.04	9.0%	12.54	3.72		8.23
Thunder Bay	(1.0)	5.13	0.29	5.7%	5.42	1.04		4.36
'edmonton tel'	(8.4)	6.96	0.49	7.0%	7.45	1.75		4.12
Prince Rupert	(0.1)	8.93	0.36	4.1%	9.29	1.30		3.28
NorthwesTel	(4.4)	14.79	2.12	14.4%	16.91	7.59		12.20
Total or Mean	(35.6)	10.62	1.17	11.0%	11.78	4.17		7.03
Unweighted Average		10.94	1.14	10.4%	12.08	4.08		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(3.1)	13.28	1.99	15.0%	15.27	7.10	85.8%
Quebec-Tel	(10.8)	12.21	2.59	21.2%	14.81	9.26	
Telebec	(5.9)	14.74	1.55	10.5%	16.29	5.53	
Northern Tel	(1.9)	11.50	1.51	13.1%	13.01	5.38	
Thunder Bay	(1.0)	5.13	0.46	8.9%	5.59	1.63	
'edmonton tel'	(8.4)	6.96	0.94	13.6%	7.90	3.37	
Prince Rupert	(0.1)	8.93	0.47	5.2%	9.39	1.66	
NorthwesTel	(4.4)	14.79	3.24	21.9%	18.02	11.55	
Total or Mean	(35.6)	10.62	1.64	15.5%	12.26	5.87	
Unweighted Average		10.94	1.59	14.5%	12.54	5.69	

TELECOM CANADA MEMBERS

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates
discounted by 30.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Nfld Tel	(17.6)	59.44	11.81	19.9%	71.25	39.36		6.09%
Island Tel	(4.3)	46.10	7.97	17.3%	54.07	26.57	55.3%	6.14%
MT&T	(40.8)	44.58	9.55	21.4%	54.13	31.84	53.5%	6.41%
NBTel	(32.4)	59.85	13.09	21.9%	72.94	43.65	50.6%	6.71%
Bell	(690.0)	51.91	11.44	22.0%	63.35	38.14	63.9%	6.33%
Manitoba Tel	(34.7)	34.34	5.85	17.0%	40.19	19.50		4.15%
SaskTel	(57.2)	39.61	10.65	26.9%	50.26	35.52		6.21%
AGT	(133.8)	51.28	12.85	25.1%	64.13	42.83	51.9%	6.61%
B.C. Tel	(170.3)	58.65	13.78	23.5%	72.43	45.93	61.1%	7.14%
Total or Mean	(1,181.1)	51.11	11.49	22.5%	62.60	38.29		6.37%
Unweighted Average		49.53	10.78	21.8%	60.31	35.93		6.20%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Nfld Tel	(17.6)	59.44	6.02	10.1%	65.46	20.06	
Island Tel	(4.3)	46.10	3.85	8.4%	49.95	12.84	64.9%
MT&T	(40.8)	44.58	5.04	11.3%	49.62	16.81	62.2%
NBTel	(32.4)	59.85	5.50	9.2%	65.35	18.35	69.2%
Bell	(690.0)	51.91	5.26	10.1%	57.16	17.52	76.7%
Manitoba Tel	(34.7)	34.34	3.07	9.0%	37.41	10.24	
SaskTel	(57.2)	39.61	5.74	14.5%	45.34	19.12	
AGT	(133.8)	51.28	7.09	13.8%	58.37	23.64	65.5%
B.C. Tel	(170.3)	58.65	6.38	10.9%	65.03	21.26	74.7%
Total or Mean	(1,181.1)	51.11	5.49	10.7%	56.60	18.30	
Unweighted Average		49.53	5.33	10.8%	54.86	17.76	

TELECOM CANADA MEMBERS

INPUTS:			
	Competitive MTS/WATS Providers:	RESELLER	
	Geographic Areas of Competition:	All Canada	
	Rate Structure:	REBALANCED RATES	
	Contribution Charge:	0.00 cts/min	0.0% of Telco rate.
	Market Lost to Competition:	-20.0%	
			Competing rates discounted by 30.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	MONTHLY RATE CHANGE ($)	MONTHLY RATE CHANGE (%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Nfld Tel	(17.6)	17.90	3.56	19.9%	21.46	11.85		9.14
Island Tel	(4.3)	15.38	2.66	17.3%	18.04	8.86	68.9%	6.62
MT&T	(40.8)	17.22	3.69	21.4%	20.91	12.30	65.3%	8.45
NBTel	(32.4)	16.94	3.71	21.9%	20.64	12.35	59.2%	6.50
Bell	(690.0)	15.36	3.39	22.0%	18.74	11.28	59.9%	7.33
Manitoba Tel	(34.7)	11.72	2.00	17.0%	13.71	6.65		4.20
SaskTel	(57.2)	14.08	3.79	26.9%	17.87	12.63		7.17
AGT	(133.8)	18.46	4.63	25.1%	23.09	15.42	64.9%	9.82
B.C. Tel	(170.3)	17.03	4.00	23.5%	21.03	13.34	68.3%	8.65
Total or Mean	(1,181.1)	15.72	3.53	22.4%	19.25	11.76		7.10
Unweighted Average		16.01	3.49	21.8%	19.50	11.63		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Nfld Tel	(17.6)	17.90	6.02	33.6%	23.92	20.06	
Island Tel	(4.3)	15.38	3.85	25.0%	19.23	12.84	62.7%
MT&T	(40.8)	17.22	5.04	29.3%	22.26	16.81	57.2%
NBTel	(32.4)	16.94	5.50	32.5%	22.44	18.35	46.7%
Bell	(690.0)	15.36	5.26	34.2%	20.61	17.52	46.0%
Manitoba Tel	(34.7)	11.72	3.07	26.2%	14.79	10.24	
SaskTel	(57.2)	14.08	5.74	40.7%	19.82	19.12	
AGT	(133.8)	18.46	7.09	38.4%	25.55	23.64	55.8%
B.C. Tel	(170.3)	17.03	6.38	37.5%	23.41	21.26	57.4%
Total or Mean	(1,181.1)	15.72	5.46	34.7%	21.18	18.19	
Unweighted Average		16.01	5.33	33.3%	21.34	17.76	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 30.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
BUSINESS SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	BUSINESS BASE RATE ($)	--------- BUSINESS --------- MONTHLY RATE CHANGE ($)	(%)	NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	BREAKEVEN PRODUCTIVITY IMPROVEMENT (%)
Terra Nova Tel	(6.1)	33.13	8.30	25.0%	41.43	27.66	57.9%	7.12%
Quebec-Tel	(21.5)	32.51	10.42	32.0%	42.92	34.72		6.95%
Telebec	(11.8)	42.42	6.77	16.0%	49.20	22.58		5.71%
Northern Tel	(3.8)	30.45	5.51	18.1%	35.96	18.37		7.79%
Thunder Bay	(2.0)	12.11	1.37	11.3%	13.48	4.56		4.59%
'edmonton tel'	(16.9)	20.51	2.90	14.2%	23.42	9.68		4.70%
Prince Rupert	(0.3)	20.65	1.69	8.2%	22.33	5.62		5.35%
NorthwesTel	(8.7)	29.58	8.42	28.5%	38.00	28.07		6.78%
Total or Mean	(71.0)	24.19	4.57	18.9%	28.76	15.25		7.25%
Unweighted Average		27.67	5.67	20.5%	33.34	18.91		6.12%

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
BUSINESS SUBSCRIBERS

Terra Nova Tel	(6.1)	33.13	3.95	11.9%	37.08	13.18	66.2%
Quebec-Tel	(21.5)	32.51	5.16	15.9%	37.67	17.21	
Telebec	(11.8)	42.42	3.08	7.2%	45.50	10.25	
Northern Tel	(3.8)	30.45	3.01	9.9%	33.46	10.04	
Thunder Bay	(2.0)	12.11	0.91	7.5%	13.02	3.04	
'edmonton tel'	(16.9)	20.51	1.90	9.2%	22.41	6.32	
Prince Rupert	(0.3)	20.65	0.93	4.5%	21.58	3.10	
NorthwesTel	(8.7)	29.58	6.41	21.7%	35.99	21.37	
Total or Mean	(71.0)	24.19	2.67	11.0%	26.86	8.90	
Unweighted Average		27.67	3.17	11.5%	30.84	10.56	

INDEPENDENT TELEPHONE COMPANIES

INPUTS:

Competitive MTS/WATS Providers: RESELLER
Geographic Areas of Competition: All Canada
Rate Structure: REBALANCED RATES
Contribution Charge: 0.00 cts/min 0.0% of Telco rate.
Market Lost to Competition: -20.0%

Competing rates discounted by 30.00%

OUTPUTS:

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Percentage Local Rate Changes
RESIDENCE SUBSCRIBERS

TELEPHONE COMPANY	ANNUAL REVENUE SURPLUS OR (SHORTFALL) ($M)	RESIDENCE BASE RATE ($)	RESIDENCE MONTHLY RATE CHANGE ($)	RESIDENCE MONTHLY RATE CHANGE (%)	RESIDENCE NEW RATE ($)	BREAKEVEN MONTHLY TOLL BILL ($)	PERCENT OF ACCESS LINES USING MORE TOLL	FULL CONTRIB'TN CHARGE REQ'MENT (c/min)
Terra Nova Tel	(6.1)	13.28	3.33	25.0%	16.61	11.09	79.2%	12.16
Quebec-Tel	(21.5)	12.21	3.91	32.0%	16.13	13.05		10.55
Telebec	(11.8)	14.74	2.35	16.0%	17.09	7.84		6.34
Northern Tel	(3.8)	11.50	2.08	18.1%	13.59	6.94		8.08
Thunder Bay	(2.0)	5.13	0.58	11.3%	5.71	1.93		4.28
'edmonton tel'	(16.9)	6.96	0.98	14.2%	7.94	3.28		4.06
Prince Rupert	(0.3)	8.93	0.73	8.2%	9.66	2.43		3.21
NorthwesTel	(8.7)	14.79	4.21	28.5%	19.00	14.04		11.87
Total or Mean	(71.0)	10.62	2.32	21.9%	12.94	7.75		6.89
Unweighted Average		10.94	2.27	20.8%	13.22	7.58		

Impact of Competition on Telephone Company Revenues and Local Rates
Assuming Equal Dollar Local Rate Changes
RESIDENCE SUBSCRIBERS

Terra Nova Tel	(6.1)	13.28	3.95	29.8%	17.24	13.18	76.1%
Quebec-Tel	(21.5)	12.21	5.16	42.3%	17.38	17.21	
Telebec	(11.8)	14.74	3.08	20.9%	17.81	10.25	
Northern Tel	(3.8)	11.50	3.01	26.2%	14.52	10.04	
Thunder Bay	(2.0)	5.13	0.91	17.8%	6.05	3.04	
'edmonton tel'	(16.9)	6.96	1.90	27.2%	8.85	6.32	
Prince Rupert	(0.3)	8.93	0.93	10.4%	9.86	3.10	
NorthwesTel	(8.7)	14.79	6.41	43.4%	21.20	21.37	
Total or Mean	(71.0)	10.62	3.28	30.9%	13.89	10.92	
Unweighted Average		10.94	3.17	29.0%	14.11	10.56	